

MARCHBURN FARMS LIMITED

Directors' report and financial statements

30 November 2001

Registered number: SC180746



**Barbara Cresswell
Chartered Accountant**

Marchburn Farms Limited

Directors' report and financial statements

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Marchburn Farms Limited

Directors' report

The directors present their annual report and the financial statements for the year ended 30 November 2001.

Principal activities

The principal activities of the company are to provide livery and stabling services, to operate equestrian services and facilities and to carry on the business of breeders and stud farmers in horses and other animals.

Directors and directors' interests

The directors who held office during the year were as follows:

Miss Claire Lockhead
Mrs. Audrey Lockhead

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the company as recorded in the register of directors' share interests.

Class of share		Interest at beginning and end of year
Miss Claire Lockhead	Ordinary shares of £1 each	370,669
Mrs. Audrey Lockhead	Ordinary shares of £1 each	-

Directors' report

The directors' 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



Claire Lockhead
Secretary

Peelie Belt Cottage
Glassel
Banchory
AB31 4DH

2 September 2002

Marchburn Farms Limited

Profit and loss account

for the year ended 30 November 2001

	<i>Note</i>	2001 £	2000 £
Turnover	2	5,032	10,791
Cost of sales		(18,869)	(26,661)
Gross loss		<u>(13,837)</u>	<u>(15,870)</u>
Administrative expenses		(28,308)	(60,730)
Other operating income		308	1,099
Operating loss		<u>(41,837)</u>	<u>(75,501)</u>
Other interest receivable and similar income		-	2,231
Interest payable and similar charges		-	(187)
Loss on ordinary activities before taxation	3	<u>(41,837)</u>	<u>(73,457)</u>
Tax on profit on ordinary activities	4	-	-
Retained loss for the financial period		<u>(41,837)</u>	<u>(73,457)</u>

A statement of movements on reserves is given in note 9.

Marchburn Farms Limited

Balance sheet

at 30 November 2001

	Note	2001	2000
		£	£
Fixed assets	5	162,485	249,502
Current assets			
Stock		32,380	40,280
Debtors	6	1,559	2,082
Cash at bank and in hand		10,112	20,118
		<u>44,051</u>	<u>62,480</u>
Creditors: amounts falling due within one year	7	<u>46,089</u>	<u>109,698</u>
Net current (liabilities) / assets		(2,038)	(47,218)
Net assets		<u>160,447</u>	<u>202,284</u>
Capital and reserves			
Called up share capital	8	370,669	370,669
Profit and loss account	9	(210,222)	(168,385)
		<u>160,447</u>	<u>202,284</u>

The company was entitled to exemption under section 249A(1) of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 30 November 2001 audited.

No notice has been deposited under section 249B(2) of that Act requiring an audit in relation to the company's accounts for that financial year.

The directors acknowledge their responsibilities for:

- Ensuring the company keeps accounting records, which comply with section 221 of the Companies Act 1985.
- 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 period in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

Marchburn Farms Limited

Balance sheet *(continued)*
at 30 November 2001

The directors have taken advantage of the special provisions conferred by Part VII of the Companies Act 1985, relating to small companies in the preparation of their accounts, and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

These financial statements were approved by the board of directors on 2 September 2002 and were signed on their behalf by:

A handwritten signature in black ink, appearing to read 'A Lockhead', with a horizontal line extending from the end of the signature.

Audrey Lockhead
Director

Marchburn Farms Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Farm vehicles	- over 4 – 10 years
Farm & office equipment	- over 4 years

Stocks

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

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Analysis of turnover

The turnover is attributable to the company's main activities and represents the amounts (excluding value added tax) derived from provision of services and sales to customers during the period.

All turnover arises in the UK.

Marchburn Farms Limited

Notes (continued)

3 Loss on ordinary activities before taxation

	2001 £	2000 £
<i>The loss on ordinary activities before taxation is stated after charging:</i>		
Depreciation	1,935	4,256
Directors' emoluments	3,850	14,400
	<hr/>	<hr/>

There are no directors to whom retirement benefits are accruing under money purchase pension schemes.

4 Taxation

	2001 £	2000 £
UK corporation tax	-	-
	<hr/>	<hr/>

No provision for deferred tax is required.

5 Fixed assets

	Farm £	Farm & office equipment £	Farm vehicles £	Total £
<i>Cost</i>				
At 1 December 2000	239,652	17,354	-	257,006
Additions	139,498	-	-	139,498
Disposals	(220,319)	(9,909)	-	(230,228)
At 30 November 2001	<hr/> 158,831	<hr/> 7,445	<hr/> -	<hr/> 166,276
<i>Depreciation</i>				
At 1 December 2000	-	7,504	-	7,504
Charge for period	-	1,861	-	1,861
Disposals	-	(5,574)	-	(5,574)
At 30 November 2001	<hr/> -	<hr/> 3,791	<hr/> -	<hr/> 3,791
<i>Net book value</i>				
At 30 November 2001	<hr/> 158,831	<hr/> 3,654	<hr/> -	<hr/> 162,485
At 30 November 2000	<hr/> 239,652	<hr/> 9,850	<hr/> -	<hr/> 249,502

Marchburn Farms Limited

Notes (continued)

6 Debtors

	2001 £	2000 £
Trade debtors	703	442
Other debtors	856	1,640
	<u>1,559</u>	<u>2,082</u>

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Corporation tax	-	-
Other taxes and social security	1,119	403
	<u>1,119</u>	<u>403</u>
Other creditors	2,955	2,279
Directors' loan	42,015	107,016
	<u>46,089</u>	<u>109,698</u>

During the period the directors made loans to the company to provide working capital. The loans are interest free and repayable on demand. The maximum liability was £132,015 (2000: £107,016) and the balance outstanding at 30 November 2001 was £42,015 (2000: £107,016).

8 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
400,000 Ordinary shares of £1 each	400,000	400,000
<i>Allotted, called up and fully paid</i>		
370,669 Ordinary shares of £1 each	370,669	370,669

Marchburn Farms Limited

Notes *(continued)*

9 Profit and loss account

	2001 £	2000 £
At beginning of year	(168,385)	(94,928)
Retained loss for the financial year	(41,837)	(73,457)
At end of year	<u>(210,222)</u>	<u>(168,385)</u>

10 Commitments

There were no capital commitments at the balance sheet date.

11 Controlling interest

Miss Claire Lockhead is the controlling party by virtue of her interest in the company's equity capital.