

**BILLINGTON AGRICULTURE LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**for the year ended**  
**30th April 2000**

**COMPANY REGISTRATION NO: 250349**



# **BILLINGTON AGRICULTURE LIMITED**

## **Report of the Directors for the year ended 30th April 2000**

The directors submit their report and accounts for the year ended 30th April 2000.

### **Results, dividends and activities**

The results for the year are shown on the Profit and Loss Account on page 5.

The profit for the year before taxation amounts to £177,866

The directors do not recommend the payment of a dividend for the year.

The principal activity of the company during the year was the sale of animal foodstuffs.

### **Directors and directors' interests**

At 30th April 2000 the directors were Mr. M.R. Cashin, Mr. J.M. Hassett, Dr. R.R. Toomey, Mr. L.L.R. Whiteley and Mr. P. Steeples.

The interests of the directors who are also directors of the ultimate parent undertaking, Edward Billington & Son Limited, are shown in that company's accounts.

The interests of the other director in the share capital of the ultimate parent undertaking are as follows:

	Ordinary shares of £1 each		Second preferred ordinary shares of £1 each	
	2000	1999	2000	1999
P. Steeples	-	-	5,818	5,026

The holding of second preferred ordinary shares includes beneficial holdings held in the name of the trustees of the Edward Billington & Son Limited, Employee Share Ownership Plan.

None of the directors have any beneficial interest in the share capital of the company.


**BILLINGTON AGRICULTURE LIMITED**

**Report of the Directors  
for the year ended 30th April 2000**

**Auditors**

Mitchell Charlesworth are willing to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



C.J. FOWLE

Secretary

Cunard Building,  
Liverpool L3 1EL.

18th October 2000

## **BILLINGTON AGRICULTURE LIMITED**

### **Statement of Directors' Responsibilities for the year ended 30th April 2000**

The directors are required under company law to prepare accounts 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 the period then ended.

In preparing these accounts, they are required to:

- ◆ select suitable accounting policies and apply them consistently;
- ◆ make reasonable and prudent judgements and estimates;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for:

- ◆ keeping proper accounting records;
- ◆ safeguarding the company's assets;
- ◆ taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Mitchell Charlesworth

Chartered Accountants

Chavasse Court · 24 Lord Street · Liverpool · L2 1TA

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

We have audited the accounts on pages 5 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 have considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MITCHELL CHARLESWORTH  
Registered Auditor

18th October 2000

# BILLINGTON AGRICULTURE LIMITED

## Profit and Loss Account for the year ended 30th April 2000

	Notes	2000	1999
Turnover	2	17,562,529	17,350,704
Cost of sales		<u>14,080,621</u>	<u>13,838,533</u>
Gross profit		3,481,908	3,512,171
Distribution costs		2,646,055	2,565,574
Administrative expenses		<u>572,692</u>	<u>688,117</u>
		<u>3,218,747</u>	<u>3,253,691</u>
Operating profit	3	263,161	258,480
Interest receivable	5	( 34,512)	( 76,561)
Interest payable	6	<u>119,807</u>	<u>210,722</u>
		<u>85,295</u>	<u>134,161</u>
Profit on ordinary activities before taxation		177,866	124,319
Taxation	7	<u>72,000</u>	<u>21,334</u>
Profit on ordinary activities after taxation	18	<u>£ 105,866</u>	<u>£ 102,985</u>

The turnover and operating profit is wholly attributable to continuing operations of the company.

The company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 14 form part of these accounts.

# BILLINGTON AGRICULTURE LIMITED

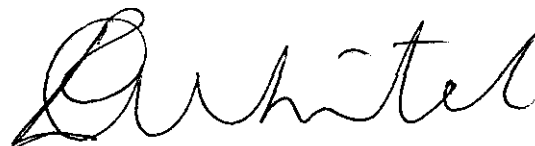
## Balance Sheet 30th April 2000

	Notes	2000	1999
<b>Fixed assets</b>			
Tangible assets	8	5,202,923	5,965,061
Investments	9	<u>          -</u>	<u>62,500</u>
		5,202,923	6,027,561
<b>Current assets</b>			
Stocks	10	78,498	137,734
Debtors	11	3,566,153	3,236,510
Cash at bank and in hand		<u>1,562</u>	<u>906</u>
		3,646,213	3,375,150
<b>Creditors</b>			
Amounts falling due within one year	12	<u>4,045,965</u>	<u>4,417,262</u>
<b>Net current liabilities</b>		( 399,752)	(1,042,112)
<b>Total assets less current liabilities</b>		4,803,171	4,985,449
<b>Creditors</b>			
Amounts falling due after more than one year	13	<u>452,324</u>	<u>680,468</u>
		4,350,847	4,304,981
<b>Provision for liabilities and charges</b>			
Deferred taxation	15	<u>440,000</u>	<u>500,000</u>
		£3,910,847	£3,804,981
<b>Capital and reserves</b>			
Called up share capital	17	70,000	70,000
Revaluation reserve	18	104,576	234,365
Profit and loss account	18	<u>3,736,271</u>	<u>3,500,616</u>
<b>Total shareholders' funds</b>	19	£3,910,847	£3,804,981

Approved by the Board of Directors  
on 18th October 2000

L.L.R. WHITELEY - Director

The notes on pages 8 to 14 form part of these accounts.



# BILLINGTON AGRICULTURE LIMITED

## Note of Historical Cost Profits and Losses for the year ended 30th April 2000

	2000	1999
Reported profit on ordinary activities before taxation	177,866	124,319
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount.	65,395	65,395
Realisation of property revaluation gains of earlier years	<u>70,419</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u>£313,680</u>	<u>£189,714</u>
Historical cost profit for the year after taxation	<u>£241,680</u>	<u>£168,380</u>



# **BILLINGTON AGRICULTURE LIMITED**

## **Notes to the Accounts**

### **1. Accounting policies**

#### **Accounting basis**

The accounts are prepared under the historical cost convention as modified by the revaluation of tangible fixed assets referred to in note 8 and in accordance with applicable Accounting Standards.

#### **Basis of consolidation**

The subsidiary company has not been consolidated as it is non-trading. Consolidated accounts are prepared by the company's immediate parent undertaking, Billington Agriculture Holdings Limited.

#### **Related party transactions**

Details of transactions with fellow group undertakings are not disclosed in these accounts as they are included in the consolidated accounts of Edward Billington & Son Limited.

#### **Depreciation**

Depreciation is calculated to write off the cost or valuation of tangible fixed assets over their anticipated useful lives at the following rates:

Freehold and long leasehold buildings	5% - 10%
Plant and machinery	10% - 20%
Motor vehicles	20%

#### **Leased assets**

Assets obtained under finance leases are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to Profit and Loss Account over the period of the lease. Rental payments under operating leases are charged to Profit and Loss Account as incurred. Rentals receivable on operating leases are credited to Profit and Loss Account as they accrue.

#### **Revaluation reserve**

The reserve represents the surplus on revaluation of tangible fixed assets after adjustment for deferred taxation. The reserve is being credited back to the Profit and Loss Account at the same rate as the underlying assets are depreciated.

The transitional arrangements of FRS15 are being adopted in the case of freehold land and buildings, long leasehold land and buildings and plant and machinery where the valuation of £135,000 and £320,000 have not been updated since 25th March 1983, and both £500,000 and £1,500,000 not being updated since 23rd July 1991.

#### **Deferred taxation**

Deferred taxation is provided, calculated on the liability method, in respect of timing differences to the extent that it is probable the liability will crystallise in the foreseeable future.

#### **Stocks and work in progress**

Stocks of raw materials and work in progress have been valued at the lower of cost and net realisable value.

### **2. Turnover**

Turnover represents sales, excluding value added tax, of goods and services during the year. Turnover is generated from the sale of animal foodstuffs within the United Kingdom.

# BILLINGTON AGRICULTURE LIMITED

## Notes to the Accounts

### 3. Operating profit

The operating profit for the year has been arrived at after charging (crediting):

	2000 £	1999 £
Directors' emoluments (see note 4)	-	-
Auditors' remuneration - audit	5,500	7,000
- non-audit	3,000	3,000
Depreciation	1,049,649	941,082
Operating lease rentals from joint venture	( 939,741)	(566,677)
Operating lease rentals - paid	13,305	13,305

### 4. Directors' emoluments and staff costs

The directors and staff are employed and remunerated by the ultimate parent undertaking.

### 5. Interest receivable

	2000	1999
Loan interest - group	28,688	76,422
Other interest	<u>5,824</u>	<u>139</u>
	£34,512	£76,561

### 6. Interest payable

	2000	1999
Loan interest - group	6,576	311
Loan interest	21,830	35,738
Bank overdraft	70,478	153,491
Finance lease interest	15,415	1,550
Other interest	<u>5,508</u>	<u>19,632</u>
	£119,807	£210,722

### 7. Taxation

Based on the results for the year:

	2000	1999
U.K. corporation tax	130,000	53,000
Deferred taxation	( 60,000)	(26,800)
Underprovision in previous year	<u>2,000</u>	<u>(4,866)</u>
	£ 72,000	£21,334

# BILLINGTON AGRICULTURE LIMITED

## Notes to the Accounts

### 8. Tangible fixed assets

Cost or valuation	Freehold land and buildings	Long leasehold land and buildings	Plant and machinery	Motor vehicles	Total
At 30th April 1999	951,022	289,995	8,628,691	172,387	10,042,095
Group transfer	(250,000)	-	-	-	( 250,000)
Additions	-	-	529,427	15,643	545,070
Disposals	-	-	( 2,205)	( 27,985)	( 30,190)
At 30th April 2000	701,022	289,995	9,155,913	160,045	10,306,975
At valuation					
30th April 1983	-	135,000	320,000	-	455,000
30th April 1991	500,000	-	1,500,000	-	2,000,000
At cost	<u>201,022</u>	<u>154,995</u>	<u>7,335,913</u>	<u>160,045</u>	<u>7,851,975</u>
	701,022	289,995	9,155,913	160,045	10,306,975
<b>Depreciation</b>					
At 30th April 1999	280,563	172,894	3,517,685	105,892	4,077,034
Amount provided	-	-	1,011,493	38,156	1,049,649
Realised on disposals	-	-	-	( 22,631)	( 22,631)
At 30th April 2000	280,563	172,894	4,529,178	121,417	5,104,052
<b>Net book values</b>					
At 30th April 2000	<u>£420,459</u>	<u>£117,101</u>	<u>£4,626,735</u>	<u>£ 38,628</u>	<u>£5,202,923</u>
At 30th April 1999	<u>£ 670,459</u>	<u>£117,101</u>	<u>£5,111,006</u>	<u>£ 66,495</u>	<u>£5,965,061</u>

The net book value of freehold and leasehold land and buildings includes an amount of £367,101 (1999 £617,101) in respect of non-depreciated land.

Two of the manufacturing mills are leased to a related party. The total cost or valuation includes amounts of £9,408,923 (1999 £8,653,404) and accumulated depreciation includes amounts of £4,614,557 (1999 £3,674,816) in respect of these mills. Rental income receivable on the mills amounted to £939,741 (1999 £566,667).

The net book value of tangible fixed assets held under finance leases amounts to £380,107 (1999 £424,287) and on which depreciation charged in the year was £44,180 (1999 £17,508).

The group transfer arises from a transfer of property to the ultimate parent undertaking.

# BILLINGTON AGRICULTURE LIMITED

## Notes to the Accounts

### 9. Investments

	2000	1999
Wholly owned subsidiary		
Criddle-Burgess Feeds Limited	£ Nil	£62,500
	<u>          </u>	<u>          </u>

The investment was transferred during the year to the ultimate parent undertaking at cost.

### 10. Stocks and work in progress

	2000	1999
Raw materials and consumables	47,521	115,132
Finished goods	<u>30,977</u>	<u>22,602</u>
	£78,498	£137,734
	<u>          </u>	<u>          </u>

### 11. Debtors

	2000	1999
Trade debtors	2,633,077	2,854,528
Prepayments	73,746	98,492
Other taxes	56,229	112,115
Fellow subsidiaries	-	155,610
Other debtors	16,511	15,765
Parent undertaking	578,983	-
Related undertaking	<u>207,607</u>	<u>          </u>
	£3,566,153	£3,236,510
	<u>          </u>	<u>          </u>

### 12. Creditors - amounts falling due within one year

	2000	1999
Current instalments on loans	120,604	120,604
Bank overdraft	558,939	121,850
Trade creditors	767,019	380,943
Other creditors	12,689	15,598
Accruals	190,498	142,357
Corporation tax	130,000	53,000
Other taxes	4,287	3,225
Finance lease obligations (note 14)	110,000	110,000
Ultimate parent undertaking	1,865,864	2,956,537
Fellow subsidiaries	286,065	344,347
Related undertaking	<u>          </u>	<u>168,801</u>
	£4,045,965	£4,417,262
	<u>          </u>	<u>          </u>

# BILLINGTON AGRICULTURE LIMITED

## Notes to the Accounts

13. Creditors - amounts falling due after more than one year	2000	1999
Mortgage loan	150,756	271,360
Finance lease obligations (note 14)	<u>301,568</u>	<u>409,108</u>
	£452,324	£680,468
	<u><u>          </u></u>	<u><u>          </u></u>

### Repayment of mortgage loan

In one year or less	120,604	120,604
Between one and two years	120,604	120,604
Between two and five years	<u>30,152</u>	<u>150,756</u>
	£271,360	£391,964
	<u><u>          </u></u>	<u><u>          </u></u>

The loan is secured and carries interest at a variable rate, being 7.0% at 30th April 2000.

## 14. Lease obligations

Finance leases	2000	1999
Amounts falling due within:		
One year	138,840	140,225
Two to five years	<u>313,048</u>	<u>458,508</u>
	451,888	598,733
Less Finance charges allocated to future periods	<u>40,320</u>	<u>79,625</u>
	£411,568	£519,108
	<u><u>          </u></u>	<u><u>          </u></u>
Shown as:		
Current obligations	110,000	110,000
Non-current obligations	<u>301,568</u>	<u>409,108</u>
	£411,568	£519,108
	<u><u>          </u></u>	<u><u>          </u></u>

### Leasing commitments

Leases expiring:	2000	1999
After five years	<u>£13,305</u>	<u>£13,305</u>
	<u><u>          </u></u>	<u><u>          </u></u>

The leasing commitments relate to the future annual rentals payable under non-cancellable operating leases which relate to rents payable on land and buildings.

# BILLINGTON AGRICULTURE LIMITED

## Notes to the Accounts

### 15. Deferred taxation

Full potential amount of deferred taxation

	2000	1999
Accelerated capital allowances	637,000	708,000
Other timing differences	( 27,000)	( 30,000)
	<u>£610,000</u>	<u>£678,000</u>
Amount provided:	2000	1999
Accelerated capital allowances	<u>£440,000</u>	<u>£500,000</u>

### 16. Guarantee

The company has given a debenture by way of a cross guarantee with Billington Agriculture Holdings Limited against the collective bank facilities of the Billington Agriculture Holdings group.

### 17. Share capital

	2000	1999
<b>Authorised</b>		
150,000 ordinary shares of £1 each	<u>£150,000</u>	<u>£150,000</u>
<b>Allotted, called up and fully paid</b>		
70,000 ordinary shares of £1 each	<u>£ 70,000</u>	<u>£ 70,000</u>

### 18. Reserves

	Revaluation reserve	Profit and loss account
At 30th April 1999	234,365	3,500,616
Movements in year:		
Retained profit	-	105,866
Revaluation reserve transfer	(129,789)	<u>129,789</u>
At 30th April 2000	<u>£104,576</u>	<u>£3,736,271</u>

## BILLINGTON AGRICULTURE LIMITED

### Notes to the Accounts

#### 19. Reconciliation of movements in shareholders' funds

	2000	1999
Profit for the year	45,866	102,985
Opening shareholders' funds	<u>3,804,981</u>	<u>3,701,996</u>
Closing shareholders' funds	<u>£3,850,847</u>	<u>£3,804,981</u>

#### 20. Capital commitments

There were no capital commitments at 30th April 2000 (1999 £Nil).

#### 21. Related party transactions

Carrs Billington Agriculture Limited is a joint venture in which Billington Agriculture Holdings Limited, the immediate parent undertaking is one of the investing parties.

During the year the company purchased compound animal feed and haulage from Carrs Billington Agriculture Limited totalling £12,112,458 (1999 £9,373,755).

The company sold raw materials and services to Carrs Billington Agriculture Limited totalling £128,295 (1999 £451,240), and charged £939,741 (1999 £566,677) for the use of the feed mills.

At 30th April 2000, debtors included £207,607 (1999 creditors £168,801) due from Carrs Billington Agriculture Limited.

#### 22. Parent undertaking

The immediate parent undertaking is Billington Agriculture Holdings Limited which is incorporated in England. The ultimate parent undertaking is Edward Billington & Son Limited, which is itself incorporated in England.