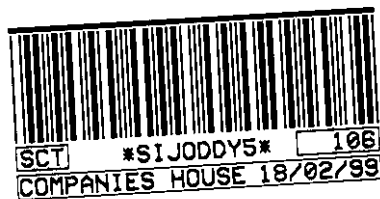


Reg-125

# Adamston (Farms) Limited

Annual report  
for the year ended 30 June 1998

Registered no: 41180



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# **Adamston (Farms) Limited**

## **Annual report for the year ended 30 June 1998**

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**Adamston (Farms) Limited****Directors and advisers****Directors**

W J Husband  
Mrs F J Husband (retired 30.6.98)

**Secretary**

Mrs F J Husband

**Auditors**

Reeves & Neylan  
4 Atholl Crescent  
Perth  
PH1 5NG

**Solicitors**

Liddle & Anderson  
26 East Pier  
Bo'ness  
West Lothian  
EH51 9AB

**Bankers**

Clydesdale Bank plc  
96 High Street  
Dundee  
DD1 9DD

**Registered office**

East Adamston  
Muirhead  
By Dundee  
DD2 5QX

## **Adamston (Farms) Limited**

### **Report of the directors for the year ended 30 June 1998**

The directors present their report and the audited financial statements for the year ended 30 June 1998. These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £196 (1997 £23,032). The directors do not recommend the payment of any ordinary dividend.

#### **Review of the business**

The company's principal activity continued to be that of farming. The year end financial position was satisfactory, and although the results for the year were poor the directors expect that the level of activity will improve in the foreseeable future.

#### **Fixed assets**

The movement in tangible fixed assets during the period are set out in note 7 to the financial statements.

#### **Directors and their interests**

The directors at 30 June 1998 and their interests in the share capital of the company were as follows:

	1998	1997
<b>Ordinary shares of £1 each</b>		
W J Husband	7,000	7,000
Mrs F J Husband (retired 30.6.98)	-	-

#### **Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year 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

**Adamston (Farms) Limited****Report of the directors  
for the year ended 30 June 1998****Directors' responsibilities**

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**

A resolution to reappoint the auditors, Reeves & Neylan, will be proposed at the next annual general meeting.

**By order of the board**

A handwritten signature in black ink, appearing to read 'W J Husband', written in a cursive style.

**W J Husband**  
Director  
21 January 1999

## **Report of the auditors to the members of Adamston (Farms) Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on pages 7 and 8.

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

As described on pages 2 and 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

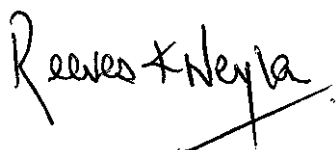
### **Basis of opinion**

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 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 the company's financial affairs at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Reeves & Neylan**  
**Chartered Accountants and Registered Auditors**  
Perth  
26 January 1999

**Adamston (Farms) Limited****Profit and loss account  
for the year ended 30 June 1998**

	Note	1998 £	1997 £
<b>Turnover</b>	1	595,665	498,135
<b>Cost of sales</b>		421,628	308,657
<b>Gross profit</b>		174,037	189,478
<b>Administrative expenses</b>		158,797	160,507
<b>Other operating income</b>		4,163	9,571
<b>Operating profit</b>	2	19,403	38,542
<b>Interest payable and similar charges</b>	4	19,146	11,980
<b>Profit on ordinary activities before taxation</b>		257	26,562
<b>Tax on profit on ordinary activities</b>	5	61	3,530
<b>Profit for the financial year</b>	19	196	23,032

All amounts relate to continuing activities.

All recognised gains and losses for the two years are included in the profit and loss account.

The accounting policies and notes on pages 7 to 14 form part of the financial statements.


# Adamston (Farms) Limited

## Balance sheet at 30 June 1998

	Note	1998 £	£	1997 £	£
<b>Fixed assets</b>					
Tangible assets	7		455,841		480,729
Investments	8		123		6,123
			<u>455,964</u>		<u>486,852</u>
<b>Current assets</b>					
Stocks	9	84,278		87,394	
Debtors	10	16,021		22,363	
Cash at bank and in hand		247		77,017	
		<u>100,546</u>		<u>186,774</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>107,536</u>		<u>215,093</u>	
<b>Net current liabilities</b>			<u>(6,990)</u>		<u>(28,319)</u>
<b>Total assets less current liabilities</b>			448,974		458,533
<b>Creditors: amounts falling due after more than one year</b>	12		129,010		141,322
<b>Provision for liabilities and charges</b>	15		<u>15,510</u>		<u>12,953</u>
<b>Net assets</b>			<u>304,454</u>		<u>304,258</u>
<b>Capital and reserves</b>					
Called up share capital	17		13,500		13,500
Other reserves	18		1,931		1,931
Profit and loss account	19		<u>289,023</u>		<u>288,827</u>
	20		<u>304,454</u>		<u>304,258</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to smaller companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board of directors on 21 January 1999 and signed on their behalf by:

W J Husband  
Director



The accounting policies and notes on pages 7 to 14 form part of the financial statements.



## **Adamston (Farms) Limited**

### **Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

These financial statements are prepared in accordance with the historical cost convention.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Chicken shed	4
Plant and machinery	15
Fixtures and fittings	10-25
Motor vehicles	25

The directors do not expect that the freehold property residual value will be less than the current carrying value and, therefore, the rate of depreciation is nil.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### **Leasing and hire purchase commitments**

Rentals paid under operating leases are charged on a straight line basis over the lease term. Assets held under hire purchase contracts and leasing agreements which transfer to the company substantially all the benefits and risks of ownership of the asset are treated as if the assets had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

#### **Pensions**

The company operates defined contribution pension schemes providing benefits to the directors and employees. The assets of the schemes are held separately from those of the company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise. Full provision is made for deferred taxation on timing differences arising from the provision of capital allowances and depreciation.

**Adamston (Farms) Limited****Principal accounting policies****Cash flow statement**

The company is exempt from the requirement to publish a cash flow statement under FRS1.

**EU agricultural support schemes**

Payments received under EU crop support schemes are recognised as income when the business has met all the criteria which entitle it to the payments, with the exception of payments under the Arable Area Payments Scheme. Payments received under this scheme, including the related set aside payments, are regarded as being an addition to crop proceeds and, as such, they are recognised as income arising at the time of sale of the appropriate crop.

# Adamston (Farms) Limited

## Notes to the financial statements for the year ended 30 June 1998

### 1 Turnover

Turnover consists entirely of sales made in the United Kingdom.

### 2 Operating profit

Operating profit is stated after charging/(crediting):	1998 £	1997 £
Auditors' remuneration	3,000	2,000
Depreciation	36,405	39,820
Profit on sale of plant and machinery	(2,111)	(1,391)

### 3 Directors' emoluments

	1998 £	1997 £
Fees	26,707	33,396
Other emoluments (including pension scheme contributions)	15,791	8,391
	<u>42,498</u>	<u>41,787</u>

### 4 Interest payable and similar charges

	1998 £	1997 £
On bank overdraft	2,759	85
On term loans	11,085	4,780
Hire purchase interest	5,302	7,115
	<u>19,146</u>	<u>11,980</u>

### 5 Tax on profit on ordinary activities

	1998 £	1997 £
Corporation tax @ 21%/24% and 21%	(2,496)	4,176
Transfer to/(from) deferred taxation	2,557	(646)
	<u>61</u>	<u>3,530</u>

### 6 Dividends

No dividends were paid or proposed during the year.

## Adamston (Farms) Limited

Notes to the financial statements  
for the year ended 30 June 1998

## 7 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 1997	341,482	322,130	49,640	713,252
Additions	-	3,405	16,201	19,606
Disposals	500	1,322	17,790	19,612
<b>At 30 June 1998</b>	<b>340,982</b>	<b>324,213</b>	<b>48,051</b>	<b>713,246</b>
<b>Depreciation</b>				
At 1 July 1997	14,665	196,826	21,032	232,523
Charge for year	7,879	19,202	9,324	36,405
Disposals	-	1,238	10,285	11,523
<b>At 30 June 1998</b>	<b>22,544</b>	<b>214,790</b>	<b>20,071</b>	<b>257,405</b>
<b>Net book value</b>				
At 30 June 1998	318,438	109,423	27,980	455,841
At 30 June 1997	326,817	125,304	28,608	480,729

The net book value of fixed assets includes an amount of £55,662 (1997 - £86,092) in respect of assets held under hire purchase contracts.

## 8 Investments

	1998 £	1997 £
Central Farmers Limited	99	99
Perth and Angus Fruit Growers Limited	24	24
Taygrow Qualification Loan	-	6,000
	<b>123</b>	<b>6,123</b>

## 9 Stocks

	1998 £	1997 £
Crops	62,254	69,271
Livestock	21,900	18,123
Other	124	-
	<b>84,278</b>	<b>87,394</b>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

## Adamston (Farms) Limited

Notes to the financial statements  
for the year ended 30 June 1998

## 10 Debtors

	1998	1997
	£	£
Trade debtors	8,070	5,954
Others debtors	1,750	12,827
Prepayments and accrued income	3,705	3,582
Corporation tax recoverable	2,496	-
	<u>16,021</u>	<u>22,363</u>

## 11 Creditors: amounts falling due within one year

	1998	1997
	£	£
Bank loans and overdrafts (secured) (note 13)	21,440	51,225
Trade creditors	40,037	84,185
Accruals	4,979	3,841
Obligations under hire purchase contracts (secured) (note 14)	13,309	25,991
Other taxes and social security costs	4,188	8,447
Other creditors	20,242	28,136
Directors' current accounts	3,341	9,092
Corporation tax payable	-	4,176
	<u>107,536</u>	<u>215,093</u>

The bank term loans and overdraft are secured by a floating charge over the company's assets.

## 12 Creditors: amounts falling due after more than one year

	1998	1997
	£	£
Obligations under hire purchase contracts (secured) (note 14)	19,174	25,606
Term loans (note 13)	109,836	115,716
	<u>129,010</u>	<u>141,322</u>

**Adamston (Farms) Limited****Notes to the financial statements  
for the year ended 30 June 1998****13 Bank loans and overdrafts**

	1998 £	1997 £
Bank loans and overdrafts are repayable as follows:		
In one year or less	21,440	51,225
Between one and two years	19,798	16,299
Between two and five years	75,505	54,204
In five years or more	14,533	45,213
	<u>131,276</u>	<u>166,941</u>

Repayable by instalments wholly or partly in more than five years:

	1998 £	1997 £
Term loans at 1.75% over base and 9.15% fixed repayable by quarterly instalments secured on the freehold properties of the company	<u>14,533</u>	<u>45,213</u>

**14 Obligations under finance leases and hire purchase contracts**

The finance lease and hire purchase obligations to which the company is committed are:

	1998 £	1997 £
<b>Amounts payable</b>		
Within one year	16,840	31,142
Within two to five years	22,158	30,912
	<u>38,998</u>	<u>62,054</u>
Less: Finance charges allocated to future periods	6,515	10,457
	<u>32,483</u>	<u>51,597</u>

Finance leases and hire purchase contracts are analysed as follows:

	1998 £	1997 £
Current obligations	13,309	25,991
Non-current obligations	19,174	25,606
	<u>32,483</u>	<u>51,597</u>

# Adamston (Farms) Limited

## Notes to the financial statements for the year ended 30 June 1998

### 15 Provision for liabilities and charges

Deferred taxation provided in the financial statements and the amounts unprovided of the total potential liability, are as follows:

	1998 Amounts provided £	1998 Amounts unprovided £	1997 Amounts provided £	1997 Amounts unprovided £
Excess of tax allowance over depreciation	<u>15,510</u>	<u>-</u>	<u>12,953</u>	<u>-</u>

The movement on the provision for deferred taxation is as follows:

	£
At 1 July 1997	12,953
Transferred from profit and loss account	<u>2,557</u>
At 30 June 1998	<u>15,510</u>

### 16 Pension obligations

The company operates defined contribution pension schemes for the directors and certain other employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to:

	1998 £	1997 £
Present directors	3,422	3,422
Other employees	<u>2,000</u>	<u>1,500</u>
	<u>5,422</u>	<u>4,922</u>

### 17 Called up share capital

	1998 £	1997 £
<b>Authorised</b>		
13,500 ordinary shares of £1 each	13,500	13,500
16,500 preference shares of £1 each	<u>16,500</u>	<u>16,500</u>
	<u>30,000</u>	<u>30,000</u>
<b>Allotted, called up and fully paid</b>		
12,500 ordinary shares of £1 each	12,500	12,500
1,000 preference shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>13,500</u>	<u>13,500</u>

**Adamston (Farms) Limited****Notes to the financial statements  
for the year ended 30 June 1998****18 Other reserves**

	1998	1997
	£	£
At 30 June 1998	<u>1,931</u>	<u>1,931</u>

**19 Profit and loss account**

	1998	1997
	£	£
Retained profits at 1 July 1997	288,827	265,795
Retained profit for the year	<u>196</u>	<u>23,032</u>
Retained profits at 30 June 1998	<u>289,023</u>	<u>288,827</u>

**20 Reconciliation of movements in shareholders' funds**

	1998	1997
	£	£
Profit for the financial year	196	23,032
Opening shareholders' funds	<u>304,258</u>	<u>281,226</u>
Closing shareholders' funds	<u>304,454</u>	<u>304,258</u>