

REGISTER

Adamston (Farms) Limited

**Annual report
for the year ended 30 June 1997**

Registered no: 41180



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Adamston (Farms) Limited

Annual report for the year ended 30 June 1997

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

W J Husband
Mrs F J Husband

Secretary

Mrs F J Husband

Accountants

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 1997

The directors present their report and the audited financial statements for the year ended 30 June 1997.

Results and dividends

The profit for the year, after taxation, amounted to £23,032 (1996 £36,573). The directors do not recommend the payment of any ordinary dividend.

Review of the business

The company's principal activity continues to be that of farming.

Fixed assets

The movements in tangible fixed assets during the period are set out in note 8 to the financial statements.

Directors and their interests

The directors at 30 June 1997 and their interests in the share capital of the company were as follows:

	1997	1996
Ordinary shares of £1 each		
A C Husband (retired 26 June 1997)	-	1,475
W J Husband	7,000	7,000
Mrs J B Husband (retired 26 June 1997)	-	1,475
Mrs F J Husband	-	-
Preference shares of £1 each		
Mrs J B Husband (retired 26 June 1997)	1,000	1,000

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 1997****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.

By order of the boardA handwritten signature in cursive script, appearing to read 'F J Husband'.

Mrs F J Husband
Secretary
27 April 1998

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 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 1997 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
27 April 1998

Adamston (Farms) Limited

Profit and loss account for the year ended 30 June 1997

	Note	1997 £	1996 £
Turnover	1	498,135	530,361
Cost of sales		<u>308,657</u>	<u>318,839</u>
Gross profit		189,478	211,522
Administrative expenses		(160,507)	(153,453)
Other operating income		<u>9,571</u>	<u>2,406</u>
Operating profit	2	38,542	60,475
Interest payable and similar charges	4	<u>(11,980)</u>	<u>(12,457)</u>
Profit on ordinary activities before taxation		26,562	48,018
Tax on profit on ordinary activities	6	<u>3,530</u>	<u>11,445</u>
Profit for the financial year	20	<u><u>23,032</u></u>	<u><u>36,573</u></u>

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 1997

	Note	1997 £	£	1996 £	£
Fixed assets					
Tangible assets	8		480,729		369,809
Investments	9		6,123		6,123
			<u>486,852</u>		<u>375,932</u>
Current assets					
Stocks	10	87,394		82,758	
Debtors	11	22,363		98,618	
Cash at bank and in hand		77,017		-	
		<u>186,774</u>		<u>181,376</u>	
Creditors: amounts falling due within one year	12	<u>215,093</u>		<u>160,880</u>	
Net current (liabilities)/assets			<u>(28,319)</u>		<u>20,496</u>
Total assets less current liabilities			<u>458,533</u>		<u>396,428</u>
Creditors: amounts falling due after more than one year	13		141,322		101,603
Provision for liabilities and charges	16		12,953		13,599
Net assets			<u><u>304,258</u></u>		<u><u>281,226</u></u>
Capital and reserves					
Called up share capital	18		13,500		13,500
Other reserves	19		1,931		1,931
Profit and loss account	20		288,827		265,795
			<u><u>304,258</u></u>		<u><u>281,226</u></u>

In preparing these financial statements the company has taken advantage of the exemptions applicable to small companies under Section 247 of the Companies Act 1985.

The financial statements were approved by the board of directors on 27 April 1998 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
Motor vehicles	25
Fixtures and fittings	10-25

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 the 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.

Pension

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 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 1997

1 Turnover

Turnover consists entirely of sales made in the United Kingdom.

2 Operating profit

Operating profit is stated after charging/(crediting):	1997 £	1996 £
Profit on sale of plant and machinery	(1,391)	(2,075)
Auditors' remuneration	2,000	2,000
Depreciation	39,820	35,918
	<u> </u>	<u> </u>

3 Directors' emoluments

	1997 £	1996 £
Fees	33,396	32,023
Other emoluments (including pension scheme contributions)	8,391	8,080
	<u>41,787</u>	<u>40,103</u>

4 Employee information

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

	1997 Number	1996 Number
Farm management and farm workers	<u>6</u>	<u>5</u>

Staff costs (for the above persons)

	1997 £	1996 £
Wages and salaries	54,933	54,145
Social security costs	5,358	4,340
Other pension costs	4,922	6,922
	<u>65,213</u>	<u>65,407</u>

5 Interest payable and similar charges

	1997 £	1996 £
On bank overdraft	85	730
On term loans	4,780	5,114
Hire purchase interest	7,115	6,613
	<u>11,980</u>	<u>12,457</u>

Adamston (Farms) Limited

Notes to the financial statements
for the year ended 30 June 1997

6 Tax on profit on ordinary activities

	1997 £	1996 £
Corporation tax @ 24% and 21%	4,176	10,366
Transfer (from)/to deferred taxation	(646)	1,079
	<u>3,530</u>	<u>11,445</u>

7 Dividends

No dividends were paid or proposed during the year.

8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 1996	211,998	316,268	37,140	565,406
Additions	129,484	7,565	17,000	154,049
Disposals	-	1,703	4,500	6,203
At 30 June 1997	<u>341,482</u>	<u>322,130</u>	<u>49,640</u>	<u>713,252</u>
Depreciation				
At 1 July 1996	6,455	175,677	13,465	195,597
Charge for year	8,210	22,074	9,536	39,820
Disposals	-	925	1,969	2,894
At 30 June 1997	<u>14,665</u>	<u>196,826</u>	<u>21,032</u>	<u>232,523</u>
Net book value				
At 30 June 1997	<u>326,817</u>	<u>125,304</u>	<u>28,608</u>	<u>480,729</u>
At 30 June 1996	<u>205,543</u>	<u>140,591</u>	<u>23,675</u>	<u>369,809</u>

The net book value of fixed assets includes an amount of £86,092 (1996 - £120,572) in respect of assets held under finance leases and hire purchase contracts.

9 Investments

	1997 £	1996 £
Central Farmers Limited	99	99
Perth and Angus Fruit Growers Limited	24	24
Taygrow Qualification Loan	6,000	6,000
	<u>6,123</u>	<u>6,123</u>

Adamston (Farms) Limited

Notes to the financial statements
for the year ended 30 June 1997

10 Stocks

	1997 £	1996 £
Crops	69,271	70,825
Livestock	18,123	11,933
	<u>87,394</u>	<u>82,758</u>

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

11 Debtors

	1997 £	1996 £
Trade debtors	5,954	93,394
Prepayments and accrued income	3,582	2,804
Others debtors	12,827	2,420
	<u>22,363</u>	<u>98,618</u>

12 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts (secured) (note 14)	51,225	17,282
Trade creditors	84,185	54,478
Accruals	3,841	3,100
Obligations under hire purchase contracts (secured)	25,991	27,240
Other taxes and social security costs	8,447	7,008
Other creditors	37,228	41,406
Corporation tax payable	4,176	10,366
	<u>215,093</u>	<u>160,880</u>

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

13 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Obligations under hire purchase contracts	25,606	45,353
Term loans (note 14)	115,716	56,250
	<u>141,322</u>	<u>101,603</u>

Adamston (Farms) Limited

Notes to the financial statements for the year ended 30 June 1997

14 Bank loans and overdrafts	1997 £	1996 £
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Bank loans and overdrafts are repayable as follows:

In one year or less	51,225	17,282
Between one and two years	16,299	7,500
Between two and five years	54,204	22,500
In five years or more	45,213	26,250
	<u>166,941</u>	<u>73,532</u>

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

	1997 £	1996 £
Term loans at 2% over base and 9.15% fixed repayable by quarterly instalments secured on the freehold properties of the company	45,213	26,250
	<u>45,213</u>	<u>26,250</u>

15 Obligations under finance leases and hire purchase contracts

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

	1997 £	1996 £
Amounts payable		
Within one year	31,142	34,355
Within two to five years	30,912	55,323
	<u>62,054</u>	<u>89,678</u>
Less: Finance charges allocated to future periods	10,457	17,085
	<u>51,597</u>	<u>72,593</u>

Finance leases and hire purchase contracts are analysed as follows:

	1997 £	1996 £
Current obligations	25,991	27,240
Non-current obligations	25,606	45,353
	<u>51,597</u>	<u>72,593</u>

Adamston (Farms) Limited

Notes to the financial statements
for the year ended 30 June 1997

16 Provision for liabilities and charges

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

	1997 Amounts provided £	1997 Amounts unprovided £	1996 Amounts provided £	1996 Amounts unprovided £
Excess of tax allowance over depreciation	<u>12,953</u>	<u>-</u>	<u>13,599</u>	<u>-</u>

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

	£
At 1 July 1996	13,599
Transferred to profit and loss account	<u>646</u>
At 30 June 1997	<u>12,953</u>

17 Pension obligations

The company operates defined contribution pension schemes for 2 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:

	1997 £	1996 £
Present directors	3,422	4,922
Other employees	<u>1,500</u>	<u>2,000</u>
	<u>4,922</u>	<u>6,922</u>

18 Called up share capital

	1997 £	1996 £
Authorised		
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>
Allotted, called up and fully paid		
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 1997****19 Other reserves**

	1997 £	1996 £
At 30 June 1997	<u>1,931</u>	<u>1,931</u>

20 Profit and loss account

	1997 £	1996 £
Retained profits at 1 July 1996	265,795	229,222
Retained profit for the year	<u>23,032</u>	<u>36,573</u>
Retained profits at 30 June 1997	<u>288,827</u>	<u>265,795</u>

21 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	23,032	36,573
Opening shareholders' funds	<u>281,226</u>	<u>244,653</u>
Closing shareholders' funds	<u>304,258</u>	<u>281,226</u>