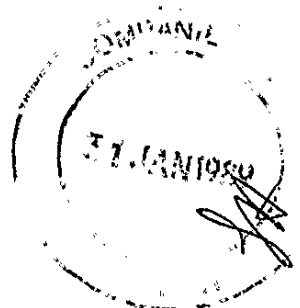


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ADAMSTON (FARMS) LIMITED

ACCOUNTS for the YEAR to 30th JUNE, 1988



HENDERSON & LOGGIE, CHARTERED ACCOUNTANTS, DUNDEE

ADAMSTON (FARMS) LIMITED

DIRECTORS.

A.C. Husband.

W.J. Husband.

J.B. Husband.

F.J. Husband.

SECRETARY.

F.J. Husband.

AUDITORS.

Messrs. Henderson & Loggie, C.A.,
11 Panmure Street,
DUNDEE.

BANKERS.

Clydesdale Bank PLC.,
96 High Street,
DUNDEE.

REGISTERED OFFICE.

East Adamston,
Muirhead,
By DUNDEE.

ADAMSTON (FARMS) LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Accounts for the year ended 30th June, 1988.

RESULTS AND DIVIDENDS

The operating profit for the year, after taxation, was £2661. The Directors recommend that no dividend for the year to 30th June, 1988 be declared and the profit of £2661 be transferred to Reserves.

REVIEW OF THE BUSINESS

The activity of the Company during the year was that of Farmers and Stock-breeders. Farming conditions remain difficult throughout the UK and the directors consider that in the present circumstances a break even situation is as good a result as can be reasonably expected.

FUTURE DEVELOPMENTS

The Company will continue to trade as Arable Farmers for the foreseeable future. The 1988 Raspberry Harvest was largely destroyed by an unseasonal hailstorm and the contribution from this source will be greatly reduced. The continuing low level of agricultural prices makes it unlikely that there will be a significant improvement in profits.

DIRECTORS AND THEIR INTERESTS

The Directors as at 30th June, 1988 and their interests in the share capital of the Company were as follows -

| | <u>30th June, 1988</u> | | <u>30th June, 1987</u> | |
|------------------|------------------------|--------------|------------------------|--------------|
| | <u>Ord.</u> | <u>Pref.</u> | <u>Ord.</u> | <u>Pref.</u> |
| Mr A.C. Husband | 2950 | - | 2950 | - |
| Mr W.J. Husband | 6500 | - | 6500 | - |
| Mrs J.B. Husband | 2950 | 1000 | 2950 | 1000 |
| Mrs F.J. Husband | - | - | - | - |

=====

Mrs. F.J. Husband retires by rotation and, being eligible, offers herself for re-election.

CLOSE COMPANY STATUS

The Company is a "Close" Company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to re-appoint as Auditors, Messrs. Henderson & Loggie, C.A., will be put to the Members at the Annual General Meeting.

By Order of the Board,

F.J. Husband
Fiona J. Husband,
Director.

Registered Office -
East Adamston,
Muirhead, by Dundee.
24th November, 1988.

ADAMSTON (FARMS) LIMITED

PROFIT and LOSS ACCOUNT for the YEAR to 30TH JUNE 1988

| 1987 | | Notes | |
|----------------|---|-------|---------------|
| <u>£245734</u> | Turnover | 2 | £286132 |
| 214244 | Cost of Sales | 3 | 263790 |
| <u>£31490</u> | GROSS PROFIT | | <u>£22342</u> |
| 8630 | Administration Expenses | 3 | 9379 |
| <u>£22860</u> | | | <u>£12963</u> |
| 874 | Other Operating Income | | 630 |
| <u>£23734</u> | | | <u>£13593</u> |
| 9144 | Interest Payable | 3 | 9523 |
| <u>£14590</u> | PROFIT on ORDINARY ACTIVITIES before TAXATION | | <u>£4070</u> |
| 2279 | Taxation | 5 | 1409 |
| <u>£12311</u> | PROFIT RETAINED | | <u>£2661</u> |

ADAMSTON (FARMS) LIMITED

BALANCE SHEET as at 30TH JUNE 1988

| 1987 | Notes | |
|---------|--|---------|
| | | |
| | <u>FIXED ASSETS</u> | |
| £203891 | Tangible 7 | £205110 |
| | <u>CURRENT ASSETS</u> | |
| £63610 | Stock | £61279 |
| | Debtors | |
| £17852 | Trade | £17691 |
| 1311 | Prepayments | 1653 |
| 3150 | V.A.T. Recoverable | 1549 |
| 22313 | | 20893 |
| £85923 | | £82172 |
| | <u>CREDITORS: Amounts falling due within one year</u> | |
| £61609 | Bank Overdraft 8 | £58174 |
| 23620 | Trade Creditors | 21525 |
| (35) | Corporation Tax | (86) |
| 3078 | Other Taxes and Social Security | 1089 |
| 6082 | H.P. Liability | 1809 |
| 5376 | Lease Liability 10 | 6123 |
| 34320 | Directors' Current Accounts 9 | 32125 |
| 3261 | Accruals | 2522 |
| £137311 | | £123281 |
| 51388 | <u>NET CURRENT LIABILITIES</u> | 41109 |
| £152503 | <u>TOTAL ASSETS less CURRENT LIABILITIES</u> | £164001 |
| | <u>CREDITORS: Amounts falling due after more than one year</u> | |
| 483 | H.P. Liability | - |
| 1444 | Lease Liability 10 | 9355 |
| 1927 | | 9355 |
| £150570 | | £154646 |
| | <u>Provision for Liabilities and Charges</u> | |
| 7218 | Deferred Taxation 11 | 8627 |
| £143358 | <u>NET ASSETS</u> | £146019 |
| | <u>CAPITAL and RESERVES</u> | |
| £13500 | Share Capital 12 | £13500 |
| 1931 | Capital Reserve 13 | 1931 |
| 127927 | Profit and Loss Account 14 | 130588 |
| £143358 | | £146019 |

Director A.C. Husband

A.C. Husband

Director W.J. Husband

W.J. Husband

Auditors' Report to the Shareholders - See over

ADAMSTON (FARMS) LIMITED

STATEMENT of SOURCE and APPLICATION of FUNDS for the YEAR to 30th JUNE, 1988

| | | <u>1987</u> |
|---|---------------|---------------|
| <u>SOURCES of FUNDS</u> | | |
| Profit before Taxation | £ 4070 | £ 14590 |
| <u>Adjustment for Items not involving the movement of Funds -</u> | | |
| Depreciation | £ 23821 | £ 21936 |
| <u>Less Gain of Sale of Fixed Assets</u> | <u>(3272)</u> | <u>(3910)</u> |
| | 20549 | £ 18026 |
| <u>Funds Generated from Trading</u> | £ 24619 | £ 32616 |
| <u>FUNDS from OTHER SOURCES</u> | | |
| Tax Refund Received | £ - | 596 |
| Sales of Fixed Assets | 5100 | 6000 |
| | 5100 | £ 6596 |
| | £ 29719 | £ 39212 |
| <u>APPLICATION of FUNDS</u> | | |
| Purchase of Fixed Assets | £ 26868 | 36453 |
| Payment of Tax | - | 232 |
| | 26868 | £ 36685 |
| <u>Increase in Working Capital</u> | £ 2851 | £ 2527 |
| | ===== | ===== |
| <u>INCREASE/(DECREASE) in WORKING CAPITAL</u> | | |
| Stock | £ (2331) | £ 11485 |
| Debtors and Prepayments | (1420) | 20355 |
| Trade Creditors | 2095 | (14375) |
| Taxation | 51 | (37) |
| Accruals | 739 | (963) |
| Other Taxes and Social Security Costs | 1989 | (717) |
| Directors' Current Accounts | 2195 | (2961) |
| H.P. Liability | 4756 | (3383) |
| Lease Liability | (8658) | 1040 |
| | £ (584) | £ 10444 |
| <u>MOVEMENT in NET LIQUID FUNDS</u> | | |
| Bank | 3435 | (7917) |
| | £ 2851 | £ 2527 |
| | ===== | ===== |

ADAMSTON (FARMS) LIMITED

NOTES to the ACCOUNTS for the YEAR to 30th JUNE, 1988

1. ACCOUNTING POLICIES

Accounting Convention

The Accounts are prepared under the historical cost convention.

Depreciation -

Depreciation is provided on all tangible fixed assets, except land and buildings, at rates calculated to write off the cost of each asset over its expected useful life as follows -

| | |
|----------------------------|---------------------------------------|
| Harvesting Equipment | - 15% Reducing Balance. |
| Cars and Tractors | - 25% Reducing Balance. |
| Other Plant and Implements | - 10% Reducing Balance. |
| Leased Assets | - Over the initial term of the Lease. |

Stock

Stocks have been estimated by the Directors at estimated cost price.

Deferred Taxation

Deferred Taxation represents Corporation Tax at 25% on the excess of deductions allowed for tax purposes in respect of Capital Allowances over the amounts charged in the Accounts for Depreciation.

Leased Assets

Assets acquired under a Finance Lease are included in the Balance Sheet as Fixed Assets and a corresponding liability in respect of the obligation to pay future rentals is accrued.

2. TURNOVER

The turnover represents the amount of goods sold and services provided stated net of Value Added Tax where appropriate.

3. COST OF SALES

| | <u>1988</u> | <u>1987</u> |
|-----------------------------|----------------|----------------|
| Gain on Sale of Assets | £ (3272) | £ (3910) |
| Depreciation | 23821 | 21936 |
| Hire of Plant and Equipment | 294 | 387 |
| Director's Salaries | 15972 | 15506 |
| Director's Fees | 2350 | 9577 |
| Other Costs | 224625 | 170748 |
| | <u>£263790</u> | <u>£214244</u> |
| | ===== | ===== |

(b) ADMINISTRATION EXPENSES

| | | |
|----------------------------|---------------|---------------|
| Audit and Accountancy Fees | £ 1395 | £ 1735 |
| Other Costs | 7984 | 6895 |
| | <u>£ 9379</u> | <u>£ 8630</u> |
| | ===== | ===== |

ADAMSTON (FARMS) LIMITED

NOTES to the ACCOUNTS for the YEAR to 30th JUNE, 1988

(c) INTEREST PAYABLE

| | <u>1988</u> | <u>1987</u> |
|--------------------|-------------|-------------|
| Overdraft Interest | £ 8106 | £ 8541 |
| Leasing Charges | 794 | 270 |
| H.P. Interest | 623 | 333 |
| | <hr/> | <hr/> |
| | £ 9523 | £ 9144 |
| | ===== | ===== |

(d) Staff Costs

| | | |
|-----------------------|--------|--------|
| Wages and Salaries | £43404 | £47984 |
| Social Security Costs | 3490 | 3268 |
| Other Pension Costs | 742 | 742 |
| | <hr/> | <hr/> |
| | £47636 | £51994 |
| | ===== | ===== |

The average weekly number of employees during the year was 6 and was made up as follows:- Seasonal workers are not included in arriving at this average.

| | <u>1988</u> | <u>1987</u> |
|-----------------------|-------------|-------------|
| Office and Management | 2 | 2 |
| Farm Workers | 4 | 4 |
| | <hr/> | <hr/> |
| | ===== | ===== |

4. OTHER OPERATING INCOME includes -

| | | |
|------------------------|-------|-------|
| Rent of Cottages | £ 150 | £ 600 |
| Rent of Electric Poles | 197 | 174 |
| Sundry Income | 283 | 100 |
| | <hr/> | <hr/> |
| | £ 630 | £ 874 |
| | ===== | ===== |

5. TAXATION

The taxation charge which is based on the results for the year is made up as follows:-

| | | |
|-------------------------------------|--------|--------|
| Corporation Tax at 25% (1987 - 27%) | £ - | £ - |
| Prior Year Adjustments | - | (8) |
| Deferred Taxation movement | 1409 | 2287 |
| | <hr/> | <hr/> |
| | £ 1409 | £ 2279 |
| | ===== | ===== |

ADAMSTON (FARMS) LIMITED

NOTES to the ACCOUNTS for the YEAR to 30th JUNE, 1988

6. OPERATING PROFIT

| | <u>1988</u> | <u>1987</u> |
|--|-------------|-------------|
| This is stated after charging - | | |
| Directors' Remuneration (see below) | £ 19064 | £ 25825 |
| Hire of Plant and Machinery | 294 | 387 |
| Auditors' Remuneration | 1395 | 1735 |
| Depreciation (Net of Profit on sale of Fixed Assets) | 20549 | 18026 |
| | ===== | ===== |

Directors' Remuneration consists of -

| | | |
|--|---------|---------|
| Fees | £ 2350 | £ 9577 |
| Other Emoluments (including pension contributions) | 16714 | 16248 |
| | £ 19064 | £ 25825 |
| | ===== | ===== |

7. TANGIBLE FIXED ASSETS - See Separate Schedule.

8. BANK OVERDRAFT

The Bank Overdraft is secured by a bond of Cash Credit and Floating Charge in favour of the Bank, dated 25th October, 1971.

9. DIRECTORS' CURRENT ACCOUNTS made up as follows -

| | | |
|--------------|---------|---------|
| A.C. Husband | £ 20176 | £ 20170 |
| W.J. Husband | 471 | 2028 |
| J.B. Husband | 11087 | 11087 |
| F.J. Husband | 391 | 1035 |
| | £ 32125 | £ 34320 |
| | ===== | ===== |

10. LEASING COMMITMENTS - FUTURE RENTALS

The future minimum lease payments under the Finance Leases to which the Company is committed as at 30th June, 1988 are as follows:-

| | |
|-----------------------------|---------|
| Year ending 30th June, 1989 | £ 6123 |
| Year ending 30th June, 1990 | 4678 |
| Year ending 30th June, 1991 | 4677 |
| | £ 15478 |
| | ===== |

ADAMSTON (FARMS) LIMITED

NOTES to the ACCOUNTS for the YEAR to 30th JUNE, 1988

11. DEFERRED TAXATION

| | <u>1988</u> | <u>1987</u> |
|-------------------|---------------|---------------|
| Opening Provision | £ 7218 | £ 4931 |
| Transfer in Year | 1409 | 2287 |
| | <u>£ 8627</u> | <u>£ 7218</u> |
| | ===== | ===== |

12. SHARE CAPITAL

| | <u>1988</u> | | <u>1987</u> |
|------------------------------|--------------|--------------|--------------------|
| | Authorised | Issued | Authorised Issued |
| Ordinary Shares of £1 each | 13500 | 12500 | 13500 12500 |
| Cum. Pref. Shares of £1 each | 16500 | 1000 | 16500 1000 |
| | <u>30000</u> | <u>13500</u> | <u>30000 13500</u> |
| | ===== | | ===== |

13. CAPITAL RESERVE

| | <u>1988</u> | <u>1987</u> |
|-------------------------------|---------------|---------------|
| Balance as at 30th June, 1987 | £ 1931 | £ 1931 |
| Movement during year | - | - |
| | <u>£ 1931</u> | <u>£ 1931</u> |
| | ===== | ===== |

14. PROFIT and LOSS ACCOUNT

| | | |
|---|----------------|----------------|
| Balance as at 30th June, 1987 | £127927 | £115616 |
| Profit/(Loss) for year to 30th June, 1987 | 2661 | 12311 |
| | <u>£130588</u> | <u>£127927</u> |
| | ===== | ===== |

ADAMSTON (FARMS) LIMITED

| FIXED ASSET SCHEDULE as at 30/06/88 | | | | |
|-------------------------------------|--------------------|-----------------------|------------------------------|--------------------|
| COST | OPENING BALANCE | ADDITIONS | DISPOSALS | CLOSING BALANCE |
| Farms & Farm Buildings | 127485 | - | - | 127485 |
| Harvesting Equipment | 88722 | 8205 | 2062 | 94865 |
| Cars & Tractors | 64253 | - | 11505 | 52748 |
| Other Plant & Implements | 19504 | 1163 | - | 20667 |
| Leased Assets | 17490 | 17500 | - | 34990 |
| | <u>317454</u> | <u>26868</u> | <u>13567</u> | <u>330755</u> |
| | ===== | ===== | ===== | ===== |
| DEPRECIATION | OPENING BALANCE | PROVISION FOR YEAR | PROVISION ON DISPOSALS | CLOSING BALANCE |
| Farms & Farm Buildings | - | - | - | - |
| Harvesting Equipment | 53077 | 7235 | 1769 | 58543 |
| Cars & Tractors | 39438 | 6350 | 9970 | 35818 |
| Other Plant & Implements | 11288 | 939 | - | 12227 |
| Leased Assets | 9760 | 9297 | - | 19057 |
| | <u>113563</u> | <u>23821</u> | <u>11739</u> | <u>125645</u> |
| | ===== | ===== | ===== | ===== |
| NET BOOK VALUE | PREVIOUS YEAR | | | CLOSING BALANCE |
| Farms & Farm Buildings | 127485 | | | 127485 |
| Harvesting Equipment | 35645 | | | 36322 |
| Cars & Tractors | 24815 | | | 16930 |
| Other Plant & Implements | 8216 | | | 8440 |
| Leased Assets | 7730 | | | 15933 |
| | <u>203891</u> | | | <u>205110</u> |
| | ===== | | | ===== |

ADAMSTON (FARMS) LIMITED

Auditors' Report to the Shareholders

DUNDEE, 24th November, 1988 - We have audited the foregoing financial statements, from pages 3 to 10, in accordance with approved Auditing Standards, having regard to the matters referred to in the following paragraph.

In common with businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors, who are major Shareholders. Where independent confirmation of the completeness of the accounting records was therefore, not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

As shown in Note 1 to the Accounts, no depreciation has been provided in respect of heritable property and this is a departure from the practice of valuation and depreciation of heritable property in terms of Statement of Standard Accounting Practice 12. We are unable to quantify the monetary effect of this departure.

Subject to the limitation of the Company's system of control and except for the non depreciation of heritable property, in our opinion, the foregoing financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs as at 30th June, 1988, and of its Profit and Source and Application of Funds for the year then ended and comply with the Companies Act 1985 in so far as the provisions of that Act apply to these financial statements.



Henderson & Loggie, C.A.
Auditors.