

BOUGHTON LOAM LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2000



Company No 954594

BOUGHTON LOAM LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

Company registration number:

954594

Registered office:

Hall Farm
Barton Road
KETTERING
Northamptonshire
NN15 6SQ

Directors:

E Ayres
M J Franklin
R J Toseland

Secretary:

E Ayres

Bankers:

HSBC
15 High Street
MARKET HARBOROUGH
Leicestershire
LE16 7NN

Solicitors:

Howes Percival
Oxford House
Cliftonville
NORTHAMPTON
NN1 5PN

Auditors:

Grant Thornton
Registered Auditors
Chartered Accountants
Grant Thornton House
Kettering Parkway
KETTERING
Northamptonshire
NN15 6XR

BOUGHTON LOAM LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

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BOUGHTON LOAM LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2000.

Principal activity

The company is principally engaged in the sale and distribution of top soils and agricultural and horticultural supplies.

Business review

The directors are satisfied with the company's performance for the year and with its position at the year end. They are cautiously optimistic of maintaining this performance in the coming year.

There was a profit for the year after taxation amounting to £29,835 (1999: £74,012). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. Mr R J Toseland served throughout the year. Mr G B R Bream resigned on 31 December 1999 and Mr G Marshall resigned on 17 January 2000.

Mr M J Franklin was appointed on 1 January 2000 and Mrs E Ayres was appointed on 14 January 2000.

The interests of the directors in the shares of the company as at 1 April 1999 or the date of their appointment to the Board if later, and 31 March 2000 were as follows:

	2000 and 1999 Number
E Ayres	0
M J Franklin	0
R J Toseland	0

The interests of Mr R J Toseland and Mrs E Ayres, who are both directors of the ultimate holding company, are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

Company law requires the directors 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BOUGHTON LOAM LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements (continued)

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000 compliance

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



E Ayres
Secretary

10 JULY 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF
BOUGHTON LOAM LIMITED**

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 affairs at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
KETTERING**

12 JULY 2000

BOUGHTON LOAM LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The periods generally applicable are:

Freehold buildings	25 years
Plant and machinery	2 to 10 years
Motor vehicles	2 to 4 years

INTANGIBLE FIXED ASSETS

The patent is included at cost and amortised over its useful economic life of 10 years.

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

BOUGHTON LOAM LIMITED

PRINCIPAL ACCOUNTING POLICIES

CONTRIBUTIONS TO PENSION FUNDS

Defined Benefit Scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

GROUP RELIEF

It is the group's policy to charge for tax losses surrendered by way of group relief at the rate prevailing at the end of the financial period in respect of which relief is given.

BOUGHTON LOAM LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	1	2,116,084	2,147,291
Cost of sales		<u>1,477,693</u>	<u>1,463,514</u>
Gross profit		638,391	683,777
Other operating charges	2	<u>547,391</u>	<u>527,284</u>
Operating profit		91,000	156,493
Net interest	3	<u>38,412</u>	<u>40,264</u>
Profit on ordinary activities before taxation	1	52,588	116,229
Tax on profit on ordinary activities	5	<u>22,753</u>	<u>42,217</u>
Profit for the financial year	16	<u><u>29,835</u></u>	<u><u>74,012</u></u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

BOUGHTON LOAM LIMITED

BALANCE SHEET AT 31 MARCH 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Intangible assets	6		39,101		49,301
Tangible assets	7		<u>595,600</u>		<u>630,061</u>
			634,701		679,362
Current assets					
Stocks	8	344,566		396,966	
Debtors	9	270,997		276,642	
Cash at bank and in hand		<u>158</u>		<u>462</u>	
		615,721		674,070	
Creditors: amounts falling due within one year	10	<u>408,795</u>		<u>458,864</u>	
Net current assets			<u>206,926</u>		<u>215,206</u>
Total assets less current liabilities			841,627		894,568
Creditors: amounts falling due after more than one year	11	72,164		154,640	
Provisions for liabilities and charges	13	<u>3,700</u>	<u>75,864</u>	<u>4,000</u>	<u>158,640</u>
			<u>765,763</u>		<u>735,928</u>
Capital and reserves					
Called up share capital	15		2,000		2,000
Profit and loss account	16		<u>763,763</u>		<u>733,928</u>
Shareholders' funds	17		<u>765,763</u>		<u>735,928</u>

The financial statements were approved by the Board of Directors on 10 July 2000

R J Toseland

Directors

M J Franklin

The accompanying accounting policies and notes form an integral part of these financial statements.

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to one activity, the sale and distribution of top soils and agricultural and horticultural supplies.

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration	3,300	3,250
Depreciation and amortisation:		
Intangible fixed assets	10,200	10,200
Tangible fixed assets, owned	63,422	71,738
Tangible fixed assets, held under finance leases and hire purchase contracts	13,351	6,661
Hire of plant and machinery	<u>62,563</u>	<u>80,474</u>

2 OTHER OPERATING CHARGES

	2000 £	1999 £
Administrative expenses	<u>547,391</u>	<u>527,284</u>

3 NET INTEREST

	2000 £	1999 £
On bank overdraft	3,542	6,168
Finance charges in respect of finance leases	1,508	894
Interest payable to group undertakings	<u>34,237</u>	<u>34,237</u>
	39,287	41,299
Other interest receivable and similar income	<u>(875)</u>	<u>(1,035)</u>
	<u>38,412</u>	<u>40,264</u>

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	352,753	377,033
Social security costs	35,328	31,204
Other pension costs	35,641	29,990
	<u>423,722</u>	<u>438,227</u>

The average number of employees of the company during the year was 21 (1999: 20).

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Emoluments	<u>45,807</u>	<u>58,766</u>

During the year two directors (1999: 1) participated in a defined benefit pension scheme.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
Corporation tax @ 30% (1999: 31%)	23,053	35,500
Deferred tax (note 13)	<u>(300)</u>	<u>4,000</u>
	22,753	39,500
Adjustment in respect of prior year:		
Corporation tax	<u>0</u>	<u>2,717</u>
	<u>22,753</u>	<u>42,217</u>

The tax charge has been increased as a result of disallowing expenditure on entertaining.

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

6 INTANGIBLE FIXED ASSETS

	Patent £
Cost	
At 1 April 1999 and at 31 March 2000	<u>102,000</u>
Amortisation	
At 1 April 1999	52,699
Provided in the year	<u>10,200</u>
At 31 March 2000	<u>62,899</u>
Net book amount at 31 March 2000	<u><u>39,101</u></u>
Net book amount at 31 March 1999	<u><u>49,301</u></u>

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 1999	583,249	498,226	148,227	1,229,702
Additions	<u>0</u>	<u>3,590</u>	<u>38,726</u>	<u>42,316</u>
	583,249	501,816	186,953	1,272,018
Disposals	<u>0</u>	<u>0</u>	<u>(41,218)</u>	<u>(41,218)</u>
At 31 March 2000	<u>583,249</u>	<u>501,816</u>	<u>145,735</u>	<u>1,230,800</u>
Depreciation				
At 1 April 1999	144,780	389,103	65,758	599,641
Provided in the year	<u>13,191</u>	<u>34,208</u>	<u>29,374</u>	<u>76,773</u>
	157,971	423,311	95,132	676,414
Eliminated on disposals	<u>0</u>	<u>0</u>	<u>(41,214)</u>	<u>(41,214)</u>
At 31 March 2000	<u>157,971</u>	<u>423,311</u>	<u>53,918</u>	<u>635,200</u>
Net book amount at 31 March 2000	<u><u>425,278</u></u>	<u><u>78,505</u></u>	<u><u>91,817</u></u>	<u><u>595,600</u></u>
Net book amount at 31 March 1999	<u><u>438,469</u></u>	<u><u>109,123</u></u>	<u><u>82,469</u></u>	<u><u>630,061</u></u>

BOUGHTON LOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

TANGIBLE FIXED ASSETS (CONTINUED)

The gross amount of freehold land and buildings on which depreciation is being provided is £330,287.

The figures stated overleaf include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £	Motor vehicles £
Net book amount at 31 March 2000	<u>0</u>	<u>39,856</u>
Net book amount at 31 March 1999	<u>31,862</u>	<u>53,207</u>
Depreciation provided in the year	<u>0</u>	<u>13,351</u>

8 STOCKS

	2000 £	1999 £
Raw materials and consumable stores	<u>344,566</u>	<u>396,966</u>

9 DEBTORS

	2000 £	1999 £
Trade debtors	251,452	267,824
Other debtors	0	53
Prepayments and accrued income	<u>19,545</u>	<u>8,765</u>
	<u>270,997</u>	<u>276,642</u>

BOUGHTON LOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	79,568	68,391
Trade creditors	154,330	165,678
Amounts owed to group undertakings	78,109	99,136
Corporation tax	28,251	35,500
Social security and other taxes	27,030	21,497
Other creditors	0	25,100
Accruals	20,839	16,092
Amounts due under finance leases	20,668	27,470
	<u>408,795</u>	<u>458,864</u>

The bank overdraft is secured by a fixed and floating charge over all the company's assets and cross guarantees given by group undertakings.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Amounts owed to group undertakings	72,164	134,020
Amounts due under finance leases	0	20,620
	<u>72,164</u>	<u>154,640</u>

The amounts owed to group undertakings, part of which is included in creditors falling due within one year, includes a loan at 11³/₄% per annum secured by a fixed charge over the company's freehold land and buildings and is repayable by monthly instalments. This amount is shown as other loan in the following note.

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

12 BORROWINGS

Borrowings are repayable as follows:

	2000 £	1999 £
Within one year		
Bank overdraft	79,568	68,391
Finance leases	20,668	27,470
Other loan	61,856	61,856
After one and within two years		
Finance leases	0	20,620
Other loan	61,856	61,856
After two and within five years		
Other loan	10,308	72,164
	<u>234,256</u>	<u>312,357</u>

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation (Note 14) £
At 1 April 1999	4,000
Utilised during year (note 5)	<u>(300)</u>
At 31 March 2000	<u>3,700</u>

14 DEFERRED TAXATION

Deferred taxation is fully provided for in the financial statements and is set out below.

	2000 £	1999 £
Accelerated capital allowances	<u>3,700</u>	<u>4,000</u>

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

15 SHARE CAPITAL

2000 and 1999
£

Authorised
5,000 ordinary shares of £1 each

5,000

Allotted, called up and fully paid
2,000 ordinary shares of £1 each

2,000

16 PROFIT AND LOSS ACCOUNT

£

At 1 April 1999
Retained profit for the year

733,928
29,835

At 31 March 2000

763,763

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

2000 1999
£ £

Profit for the financial year and net increase in shareholders' funds
Shareholders' funds at 1 April 1999

29,835 74,012
735,928 661,916

Shareholders' funds at 31 March 2000

765,763 735,928

18 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2000 or 31 March 1999.

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

19 CONTINGENT LIABILITIES

	2000 £	1999 £
Guarantee with other group undertakings in respect of holding company loans which are secured by a fixed and floating charge over all the assets of the company.	<u>875,000</u>	<u>1,000,000</u>

There were no other contingent liabilities at 31 March 2000 or 31 March 1999.

20 LEASING COMMITMENTS

Operating lease payments amounting to £3,747 (1999: £nil) are due within one year. The lease to which this amount relates expires as follows:

	2000 Other £	1999 Other £
Between one and five years	<u>3,747</u>	<u>0</u>

21 PENSIONS

Defined benefit scheme

The company is part of a group defined benefit pension scheme for the benefit of the directors and employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

Pension costs are assessed in accordance with the advice of a qualified actuary using the projected unit method with a control period of 20 years. The assumptions which have the most significant effect on the results of the valuation are the rate of return on the pension reserve, assumed to be at 8.0% per annum, the rate of interest underlying the terms for the purchase of annuities, assumed to be at 7.5% per annum, and the increase in pensionable salaries assumed to be at 6.0% per annum. The most recent valuation was as at 1 April 1999.

On a current funding level basis (which reflects current accrued service and pensionable earnings and statutory revaluation only) there was a surplus on assets of £717,000.

The market value of scheme assets as at 1 April 1999 was £7,980,000. The actuarial value of those assets was sufficient to cover 110% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The contributions are anticipated to be 14.3% of pensionable earnings for the coming year.

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

22 CONTROLLING RELATED PARTY AND RELATED PARTY TRANSACTIONS

The ultimate parent undertaking and controlling related party of this company is its parent company, Bennie Holdings Limited.

The ultimate controlling related party of the company is Mr R J Toseland as a result of his majority shareholding in Bennie Holdings Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by Bennie Holdings Limited.

As a wholly owned subsidiary of Bennie Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Bennie Holdings Limited.