

REGISTRAR

Company No 954594

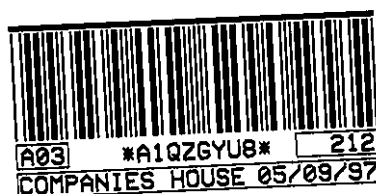
Grant Thornton 

BOUGHTON LOAM LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1997



BOUGHTON LOAM LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

Company registration number:

954594

Registered office:

Hall Farm
Barton Road
KETTERING
Northamptonshire
NN15 6SQ

Directors:

G B R Bream
G Marshall
R J Toseland

Secretary:

E Ayres

Bankers:

Midland Bank PLC
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 1997

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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 1997.

Principal activity

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

Business review

The company's profits have reduced due to tighter margins and more competition within the industry. Every effort is being made to reduce the overheads, thereby consolidating the position of the company in the future.

There was a profit for the year after taxation amounting to £56,803 (1996 - £78,357). The directors do not recommend payment of a dividend and the profit has therefore been retained.

Directors

The present membership of the Board is set out below. All directors served on the Board throughout the year.

Mr G B R Bream retires by rotation and being eligible offers himself for re-election.

The interests of the directors in the shares of the company at 1 April 1996 and 31 March 1997 were as follows:

	1997 and 1996 Ordinary shares Number
G B R Bream	0
G Marshall	0
R J Toseland	0

The interests of R J Toseland, who is a director 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 (CONTINUED)

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.

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
15 August 1997

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

We have audited the financial statements on pages 4 to 14 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. 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 affairs at 31 March 1997 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**

20 AUGUST 1997

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 amortised over its 10 year life.

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for under the liability method 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.

CONTRIBUTIONS TO PENSION FUNDS

Defined Contribution Scheme

The pension costs charged against profits represent the amount of contributions payable to the scheme in respect of the accounting period.

BOUGHTON LOAM LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 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 1997

	Note	1997 £	1996 £
Turnover	1	2,059,975	1,917,516
Cost of sales		<u>1,406,439</u>	<u>1,270,500</u>
Gross profit		653,536	647,016
Other operating income and charges	2	<u>524,440</u>	<u>502,750</u>
Operating profit		129,096	144,266
Net interest	3	<u>38,429</u>	<u>35,138</u>
Profit on ordinary activities before taxation	1	90,667	109,128
Tax on profit on ordinary activities	5	<u>33,864</u>	<u>30,771</u>
Profit for the financial year	15	<u><u>56,803</u></u>	<u><u>78,357</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 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Intangible assets	6		69,701		79,901
Tangible assets	7		<u>600,018</u>		<u>580,695</u>
			669,719		660,596
Current assets					
Stocks	8	467,016		474,407	
Debtors	9	266,054		192,667	
Cash at bank and in hand		<u>545</u>		<u>660</u>	
		733,615		667,734	
Creditors: amounts falling due within one year	10	<u>485,582</u>		<u>405,525</u>	
Net current assets			<u>248,033</u>		<u>262,209</u>
Total assets less current liabilities			917,752		922,805
Creditors: amounts falling due after more than one year	11		<u>262,886</u>		<u>324,742</u>
			<u>654,866</u>		<u>598,063</u>
Capital and reserves					
Called up share capital	14		2,000		2,000
Profit and loss account	15		<u>652,866</u>		<u>596,063</u>
Shareholders' funds	16		<u>654,866</u>		<u>598,063</u>

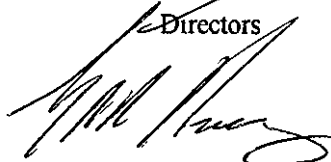
The financial statements were approved by the Board of Directors on 15 August 1997

R J Toseland



Directors

G B R Bream



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 1997****1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

Profit on ordinary activities is stated after:

	1997 £	1996 £
Auditors' remuneration	2,800	2,700
Depreciation and amortisation:		
Intangible fixed assets	10,200	10,200
Tangible fixed assets, owned	76,388	71,395
Tangible fixed assets, held under finance leases and hire purchase contracts	0	4,180
Hire of plant and machinery	<u>75,409</u>	<u>66,212</u>

2 OTHER OPERATING INCOME AND CHARGES

	1997 £	1996 £
Administrative expenses	<u>524,440</u>	<u>502,750</u>

3 NET INTEREST

	1997 £	1996 £
On bank overdraft	7,620	2,359
Finance charges in respect of finance leases	156	474
Interest payable to group undertakings	<u>34,237</u>	<u>34,237</u>
	42,013	37,070
Other interest receivable and similar income	<u>(3,584)</u>	<u>(1,932)</u>
	<u>38,429</u>	<u>35,138</u>

BOUGHTON LOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 1997****4 DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows:

	1997 £	1996 £
Wages and salaries	381,876	365,204
Social security costs	34,143	31,618
Other pension costs	17,264	12,844
	<u>433,283</u>	<u>409,666</u>

The average number of employees of the company during the year was 23 (1996 - 21).

Remuneration in respect of directors was as follows:

	1997 £	1996 £
Emoluments	46,502	45,631
Pension contributions to money purchase pension schemes	3,544	3,469
	<u>50,046</u>	<u>49,100</u>

During the year one of the directors (1996 - 1 director) participated in a money purchase pension scheme.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1997 £	1996 £
Corporation tax @ 33% (1996 - 33%)	33,864	31,347
Adjustments in respect of prior year: Corporation tax	<u>0</u>	<u>(576)</u>
	<u>33,864</u>	<u>30,771</u>

The 1997 tax charge has been increased as a result of disallowing expenditure on entertaining.

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1997

6 INTANGIBLE FIXED ASSETS

	Patent £
Cost	
At 1 April 1996 and at 31 March 1997	<u>102,000</u>
Amortisation	
At 1 April 1996	22,099
Provided in the year	<u>10,200</u>
At 31 March 1997	<u>32,299</u>
Net book amount at 31 March 1997	<u>69,701</u>
Net book amount at 31 March 1996	<u>79,901</u>

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 1996	546,445	362,245	115,873	1,024,563
Additions	<u>36,804</u>	<u>40,991</u>	<u>17,918</u>	<u>95,713</u>
	583,249	403,236	133,791	1,120,276
Disposals	<u>0</u>	<u>1,634</u>	<u>4,250</u>	<u>5,884</u>
At 31 March 1997	<u>583,249</u>	<u>401,602</u>	<u>129,541</u>	<u>1,114,392</u>
Depreciation				
At 1 April 1996	106,738	285,361	51,769	443,868
Provided in the year	<u>12,356</u>	<u>35,328</u>	<u>28,704</u>	<u>76,388</u>
	119,094	320,689	80,473	520,256
Eliminated on disposals	<u>0</u>	<u>1,633</u>	<u>4,249</u>	<u>5,882</u>
At 31 March 1997	<u>119,094</u>	<u>319,056</u>	<u>76,224</u>	<u>514,374</u>
Net book amount at 31 March 1997	<u>464,155</u>	<u>82,546</u>	<u>53,317</u>	<u>600,018</u>
Net book amount at 31 March 1996	<u>439,707</u>	<u>76,884</u>	<u>64,104</u>	<u>580,695</u>

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

BOUGHTON LOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 1997****8 STOCKS**

	1997 £	1996 £
Raw materials and consumable stores	<u>467,016</u>	<u>474,407</u>

9 DEBTORS

	1997 £	1996 £
Trade debtors	256,011	178,171
Amounts owed by group undertakings	1,303	8,792
Other debtors	0	701
Prepayments and accrued income	<u>8,740</u>	<u>5,003</u>
	<u>266,054</u>	<u>192,667</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft	158,400	80,032
Trade creditors	153,758	154,216
Amounts owed to group undertakings	65,659	72,252
Other creditors	26,600	24,600
Corporation tax	33,864	31,347
Social security and other taxes	20,219	16,609
Accruals	27,082	16,912
Amounts due under finance leases	<u>0</u>	<u>9,557</u>
	<u>485,582</u>	<u>405,525</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.

BOUGHTON LOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 1997****11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1997 £	1996 £
Amounts owed to group undertakings	<u>262,886</u>	<u>324,742</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.

12 BORROWINGS

Borrowings are repayable as follows:

	1997 £	1996 £
Within one year		
Bank overdraft	158,400	80,032
Finance leases	0	9,557
Other loan	61,856	61,856
After one and within two years		
Other loan	61,856	61,856
After two and within five years		
Other loan	185,568	185,568
After five years		
Other loan	<u>15,462</u>	<u>77,318</u>
	<u>483,142</u>	<u>476,187</u>

Borrowings repayable partly after five years comprise:

	1997 £	1996 £
Repayable by instalments		
Other loan	<u>324,742</u>	<u>386,598</u>

BOUGHTON LOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1997

13 DEFERRED TAXATION

There is no deferred tax provision (1996 - £nil).

14 SHARE CAPITAL

1997 and 1996
£

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

15 PROFIT AND LOSS ACCOUNT

£

At 1 April 1996
Retained profit for the year

596,063

56,803

At 31 March 1997

652,866

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

1997
£

1996
£

Profit for the financial year and net increase in shareholders' funds
Shareholders' funds at 1 April 1996

56,803

78,357

598,063

519,706

Shareholders' funds at 31 March 1997

654,866

598,063

BOUGHTON LOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 1997**

17 CAPITAL COMMITMENTS

	1997 £	1996 £
Contracted for but not provided in these financial statements	0	35,000
Authorised by the directors but not contracted for	<u>0</u>	<u>5,000</u>
	<u>0</u>	<u>40,000</u>

18 CONTINGENT LIABILITIES

	1997 £	1996 £
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>1,269,000</u>	<u>1,470,000</u>
Guarantee with other group undertakings in respect of the group net overdraft	<u>906,315</u>	<u>146,710</u>

19 PENSIONS**Defined Contribution Scheme**

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in funds independent from those of the company.

20 CONTROLLING RELATED PARTY

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 FRS8 to disclose transactions with other members of the group headed by Bennie Holdings Limited.