

Registered Number: 379922

COLE AMBROSE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR TO

5TH APRIL 1999



Sharp Parsons Tallon
Chartered Accountants

167 Fleet Street London EC4A 2EA

COLE AMBROSE LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited Financial Statements of the company for the year to 5th April 1999.

Principal Activity and Review of Business

The company's principal activity is mixed farming.

The results of this year were an improvement on last year, largely due to higher potato prices. The outlook as for all types of farming is uncertain and the company will need to harbour its resources carefully to see it through what the directors anticipate will be a few difficult years.

The directors have considered the effects of the Year 2000 on equipment dependent on date critical information and the introduction of the Euro. These assessments will continue but at present the directors do not foresee significant costs arising.

Directors

The directors throughout the year have been:-

D.O.A. Morbey Esq - Managing Director
Mrs. J.M.P. Morbey
A.J. Morbey Esq
Miss. R.J. Morbey

The directors retiring by rotation are Mr. D.O.A. Morbey and Miss. R.J. Morbey who being eligible, offer themselves for re-election.

Directors' Interests in Shares

	<u>Ordinary Shares of £1 Each</u> <u>5 April 1999 and 5 April 1998</u>	<u>Preference Shares of £1 Each</u> <u>5 April 1999 and 5 April 1998</u>
D.O.A. Morbey	7,750	10,000
Mrs. J.M.P. Morbey	10,000	8,000
Mrs. J.M.P. Morbey (As Trustee)	10,000	10,000
A.J. Morbey	32,250	4,000
Miss. R.J. Morbey	5,000	-
O.E. Tebbs, D. Morbey & J.M.P. Morbey (Trustees of A.J. Morbey's children	25,000	-

Political and Charitable Donations

Charitable donations during the year amounted to £680. Political donations did not exceed £200.

COLE AMBROSE LIMITED

DIRECTORS' REPORT (Continued)

Directors Responsibility for the Financial Statements

Company law required 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 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

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

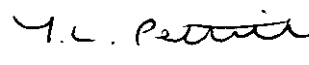
A resolution will be proposed at the forthcoming Annual General Meeting to re-appoint Sharp Parsons Tallon as auditors.

The directors have taken advantage in the preparation of their report of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on ...17/11/2009... and signed on their behalf by:

REGISTERED OFFICE

Stuntney Hall
Ely
Cambridgeshire CB7 5TL.


Y.L. Pettitt
Secretary

AUDITORS' REPORT

TO THE SHAREHOLDERS OF COLE AMBROSE LIMITED

We have audited the Financial Statements on Pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on Page 6.

Respective Responsibilities of Directors and Auditors

As described on Page 2 the company's directors are responsible for the preparation of Financial Statements. It is our responsibility to form an 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 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 error or other irregularity. 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 5th April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Sharp Parsons Tallon

Sharp Parsons Tallon
Chartered Accountants and
Registered Auditors
167 Fleet Street
London. EC4A 2NB.

Date: 27 September 1999

COLE AMBROSE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR TO 5TH APRIL 1999

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
TURNOVER	2	2,431,163	1,899,984
Cost of Sales		<u>1,977,253</u>	<u>1,395,722</u>
GROSS PROFIT		453,910	504,262
Administrative Expenses		<u>602,224</u>	<u>615,270</u>
		(148,314)	(111,008)
Other Operating Income	3	<u>273,936</u>	<u>218,731</u>
Operating Profit		125,622	107,723
Interest receivable		<u>2,324</u>	<u>2,803</u>
		127,946	110,526
Interest payable and similar charges		<u>72,167</u>	<u>89,115</u>
Profit on Ordinary Activities			
Before Taxation	4	55,779	21,411
Tax on Profit on Ordinary Activities	7	<u>(5,907)</u>	<u>16,798</u>
Profit on Ordinary Activities			
After Taxation		61,686	4,613
<u>Dividends</u>	8		
Ordinary dividends on equity shares		13,500	-
Preference dividends on non-equity shares		<u>1,890</u>	<u>1,890</u>
		<u>15,390</u>	<u>1,890</u>
Retained Profit			
Transferred to Reserves	18	<u>£46,296</u>	<u>£2,723</u>

There were no other recognised gains or losses other than the profit for the year. All turnover was earned from continuing activities. The reported profit was found under the historical cost convention.

The notes on Pages 6 to 12 form an integral part of these Financial Statements

COLE AMBROSE LIMITED**BALANCE SHEET****AS AT 5TH APRIL 1999**

		<u>1 9 9 9</u>		<u>1 9 9 8</u>	
FIXED ASSETS	Notes	£	£	£	£
Tangible Assets	9		2,232,808		2,304,384
Investments	10		36		36
			<u>2,232,844</u>		<u>2,304,420</u>
CURRENT ASSETS					
Stock	11	731,248		661,090	
Debtors	12	636,405		551,083	
Cash at Bank and in hand		<u>2,871</u>		<u>2,813</u>	
		1,370,524		1,214,986	
Creditors - amounts falling due within one year	13	<u>1,023,986</u>		<u>845,693</u>	
NET CURRENT ASSETS			<u>346,538</u>		<u>369,293</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,579,382		2,673,713
Creditors - amounts falling due after more than one year	14		<u>435,834</u>		<u>560,536</u>
			<u>2,143,548</u>		<u>2,113,177</u>
PROVISION FOR LIABILITIES AND CHARGES					
	16		<u>108,000</u>		<u>123,925</u>
			<u>£2,035,548</u>		<u>£1,989,252</u>
CAPITAL AND RESERVES					
Equity Shareholders' Funds					
Called up Share Capital	17		90,000		90,000
Profit and Loss Account	18		1,840,548		1,794,252
Capital Redemption Reserve			<u>60,000</u>		<u>60,000</u>
			1,990,548		1,944,252
Non-Equity Shareholders' Funds					
Called up Share Capital	17		45,000		45,000
Shareholders' Funds	19		<u>£2,035,548</u>		<u>£1,989,252</u>

The notes on Pages 6 to 12 form an integral part of these Financial Statements

The directors have taken advantage in the preparation of these Financial Statements of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 17/4/99 and signed on their behalf by:

David Morbey DAVID MORBEY)

Patricia Morbey PATRICIA MORBEY)

) DIRECTORS

COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5TH APRIL 1999****1. Accounting Policies****(a) *Basis of Accounting***

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) *Depreciation*

Depreciation is provided so as to write off the cost of fixed assets less their estimated residual values over their anticipated useful lives.

No depreciation has been provided on freehold land but depreciation has been provided on the cost of freehold buildings based on a life of 50 years.

Depreciation on plant and machinery has been provided at 20% on cost.

Office equipment is depreciated at 20% p.a. on cost.

Motor vehicles are depreciated at 25% p.a. on cost.

Expenditure on drainage works is being written off at 10% p.a. on written down value.

(c) *Stocks*

Stocks have been taken and professionally valued by Peter Day at the lower of cost and net realisable value with reference to Inland Revenue Guidance Notes

(d) *Deferred Taxation*

Provision is made for all tax liabilities which are deferred by timing differences, unless the reversal of such differences is considered remote.

(e) *Interest Receivable and Similar Income*

All such income is included in the profit and loss account in the year in which it is receivable.

(f) *Pension Costs*

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

(g) *Cash Flow Statement*

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

(h) *Leased Assets*

Fixed assets acquired under finance leases are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of future rentals is shown as a liability. Interest payable in each period is charged to the profit and loss account in proportion to the amount outstanding under the lease.

Operating lease rentals are charged to the profit and loss account as incurred.

(i) *Government Grants*

The company receives grants as laid down by the European Union Regulations. These are receivable under the set aside arrangements at the end of the cropping year and are included as income when the amount is determined.

2. Turnover

Turnover represents amounts invoiced in respect of mixed farming activities during the year, excluding VAT. Turnover was earned exclusively within the United Kingdom. It includes arable area payments of £173,082 (1998: £187,226) receivable on crops sold in the year.

COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5TH APRIL 1999**

	<u>1999</u>	<u>1998</u>
3. <u>Other Operating Income</u>	<u>£</u>	<u>£</u>
Contracting Income	196,066	86,656
Rents less Expenses	63,297	88,734
Set Aside	7,699	8,945
Compensation for use of land	267	34,199
Profit on Sale of Investments	6,477	-
Dividend Received	130	197
	<u>£273,936</u>	<u>£218,731</u>

4. **Profit on Ordinary Activities before Taxation**

This is stated after charging:-

Depreciation of Owned Tangible Fixed Assets	<u>£222,350</u>	<u>£184,932</u>
Assets held under Finance Leases and Hire Purchase Contracts	<u>£130,465</u>	<u>£130,465</u>
Auditors' Remuneration	<u>£4,000</u>	<u>£4,000</u>
Hire of Plant and Machinery	<u>£43,385</u>	<u>£9,173</u>
Finance Charges Payable - Finance Leases and Hire Purchase Contracts (including prior year over provision).	<u>(£11,498)</u>	<u>£13,010</u>
Directors' Remuneration (Note 6)	<u>£230,343</u>	<u>£254,014</u>
Pension Costs	<u>£15,312</u>	<u>£24,302</u>

5. **Employees**

The average number of persons employed by the company, including directors during the year was as follows:-

	<u>No.</u>	<u>No.</u>
Management	5	5
Administration	2	2
Production	30	27
	<u>37</u>	<u>34</u>

The aggregate payroll costs of these persons was

	<u>£</u>	<u>£</u>
Wages and Salaries	646,878	586,338
Social Security Costs	62,623	57,190
Other Pension Costs	15,312	24,302
	<u>£724,813</u>	<u>£667,830</u>

COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5TH APRIL 1999**

6. <u>Directors' Remuneration and Transactions</u>	<u>1999</u>	<u>1998</u>
<u>Involving Directors</u>	<u>£</u>	<u>£</u>
Fees	-	-
Other Emoluments including Benefits in Kind	221,041	240,712
Pension Contributions	9,302	13,302
	<u>£230,343</u>	<u>£254,014</u>

During the year, Mr. A.J. Morbey purchased potato seeds from the company and used plant and equipment and labour supplied by the company, for a personal joint venture in growing and selling potatoes. The company has charged him for these supplies at an arms length figure which is included in contracting income. The amount outstanding at the balance sheet date and the maximum outstanding during the year was £120,000 (1998 £66,891) which has since been repaid. Settlement has been made on normal commercial terms.

7. <u>Taxation</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Corporation Tax at		
20% on tax adjusted profit (1998 21%)	30,500	-
Under-provision in prior year	-	6,766
Tax Recovered	(4,433)	-
Decrease in Provision for Deferred Taxation (1998 Increase)	(32,000)	10,000
Tax Credit on Franked Investment Income	26	32
	<u>(£5,907)</u>	<u>£16,798</u>

Corporation tax is charged on a profit adjusted for the excess of depreciation over capital allowances. This inflates the corporation tax charge but results in a decrease in the deferred tax provision.

8. Dividends***Ordinary Shares***

Proposed at £0.15 (1998 £NIL)	13,500	-
on Ordinary Shares for the year to 5th April 1999		

Preference Shares

Payable at 4.2% net on Preference Shares		
for the year to 5th April 1999	1,890	1,890
	<u>£15,390</u>	<u>£1,890</u>

COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5TH APRIL 1999**

	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Plant and Machinery</u>	<u>Drainage Works</u>	<u>Freehold Land & Buildings</u>	<u>TOTAL</u>
9. Tangible Fixed Assets	£	£	£	£	£	£
<i>Cost</i>						
At 5th April 1998	6,738	161,638	2,052,627	132,874	1,733,356	4,087,233
Additions	2,438	24,497	194,900	33,012	26,746	281,593
Disposals	(2,130)	(18,698)	(5,490)	-	-	(26,318)
At 5th April 1999	£7,046	£167,437	£2,242,037	£165,886	£1,760,102	£4,342,508
<i>Depreciation</i>						
At 5th April 1998	6,530	130,817	1,419,411	64,510	161,581	1,782,849
Charge for Year	557	24,895	300,725	10,138	16,500	352,815
Withdrawn on Disposal	(2,129)	(18,345)	(5,490)	-	-	(25,964)
At 5th April 1999	£4,958	£137,367	£1,714,646	£74,648	£178,081	£2,109,700
<i>Net Book Value</i>						
At 5th April 1999	£2,088	£30,070	£527,391	£91,238	£1,582,021	£2,232,808
At 5th April 1998	£208	£30,821	£633,216	£68,364	£1,571,775	£2,304,384

Cost of freehold buildings at 5th April 1999 amounted to £845,499 (1998: £818,753).

Accumulated depreciation thereon at that date amounted to £178,081 (1998: £161,581).

The net book amount of plant and machinery includes £81,618 (1998: £212,083) in respect of assets held under finance leases. Cumulative depreciation charged on those assets amounted to £570,717 (1998: £440,252).

COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5TH APRIL 1999****10. Investments**

The investments are unlisted and stated at cost. All holdings are less than 10% of the nominal value of the shares in the relevant companies.

	<u>1999</u>	<u>1998</u>
<i>Cost</i>	<u>£</u>	<u>£</u>
At 6th April 1998 and at 5th April 1999	273	273
<i>Provision for Diminution in Value</i>		
At 6th April 1998 and at 5th April 1999	237	237
NET BOOK VALUE	<u><u>£36</u></u>	<u><u>£36</u></u>

A disposal of unlisted investments was made during the year; these gave rise to a profit on disposal but had a nil cost.

11. Stocks

Livestock	800	600
Crops for sale	292,962	262,451
Growing crops and cultivations	437,486	398,039
	<u><u>£731,248</u></u>	<u><u>£661,090</u></u>

The directors do not consider that the replacement costs of stocks vary materially from their balance sheet values.

12. Debtors

Trade Debtors	450,952	318,343
Other Debtors	33,433	134,349
Prepayments	152,020	98,391
	<u><u>£636,405</u></u>	<u><u>£551,083</u></u>

13. Creditors: Amounts falling due within one year

Borrowings (Note 15)	546,963	508,305
Directors Loans	40,625	40,625
Trade Creditors	171,707	139,770
Taxation and Social Security	41,585	35,987
Advance Corporation Taxation	-	440
Corporation Tax	30,060	-
Proposed Dividends	15,390	1,890
Accruals and Deferred Income	177,656	118,676
	<u><u>£1,023,986</u></u>	<u><u>£845,693</u></u>

The directors' loans represent temporary loans made by the directors to the company and are repayable on demand.

Interest is charged on the loans at 0.75% above the Base Rate.

14. Creditors: Amounts falling due after more than one year

Borrowings (Note 15)	<u><u>£435,834</u></u>	<u><u>£560,536</u></u>
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COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5TH APRIL 1999**

15. Borrowings	1999	1998
	£	£
Due within one year		
Bank Overdraft	423,222	356,198
Bank Loans	88,333	88,333
Obligations under Finance Lease	-	30,201
Hire Purchase Creditors	35,408	33,573
	<u>£546,963</u>	<u>£508,305</u>
Due after more than one year		
Due between one and two years: bank loans	88,333	88,333
Due between two and five years: bank loans	265,000	265,000
Wholly repayable after five years: bank loans	82,501	170,834
	<u>435,834</u>	<u>524,167</u>
Wholly repayable by instalments and		
Due between one and five years		
Obligations under Finance Lease	-	961
Hire Purchase Creditors	-	35,408
	<u>£435,834</u>	<u>£560,536</u>

There are two bank loans which are secured by a mortgage over some of the company's freehold land and property. One loan is repayable in half-yearly instalments with the final payment due no later than February 2004. Interest is charged at a fixed rate of 8.814% per annum. The other loan is repayable in monthly instalments and the final payment is due no later than April 2009. The interest on this loan is payable at base rate plus 1.75% per annum.

16. Provision for Liabilities and Charges	1999	1998
	£	£
<i>Deferred Taxation Note 1 (d)</i>		
Accelerated Capital Allowances	58,000	88,000
Rollover Relief	50,000	52,000
Advance Corporation Tax Recoverable	-	(16,075)
	<u>£108,000</u>	<u>£123,925</u>

The provision has been calculated at a Corporation Tax rate of 30% (1998 31%) on the full potential liability.

Movements on Deferred Taxation

Provision at 5th April 1998	123,925	115,465
Decrease in ACT Recoverable (1998 increase)	16,075	(1,540)
	<u>140,000</u>	<u>113,925</u>

Profit and Loss Account (Note 7)

Capital Allowances decrease in provision	30,000	14,000
Rollover Relief decrease in provision (1998 Increase)	2,000	(4,000)
	<u>32,000</u>	<u>10,000</u>
Provision at 5th April 1999	<u>£108,000</u>	<u>£123,925</u>

COLE AMBROSE LIMITED**NOTES TO THE FINANCIAL STATEMENT****5TH APRIL 1999**

17. <u>Called Up Share Capital</u>	1999	1998
<i>Issued, Allotted and Fully Paid</i>	<i>£</i>	<i>£</i>
45,000 4.2% Net Cumulative Preference Shares of £1 each (Authorised - 45,000 shares)	<u>£45,000</u>	<u>£45,000</u>
90,000 Ordinary shares of £1 each (Authorised - 150,000 shares)	<u>£90,000</u>	<u>£90,000</u>

The 4.2% Net Cumulative Preference Shares confer the right to a fixed cumulative preference dividend at the rate of 4.2% per annum. On a winding up the holders of the preference shares are entitled to the return of the capital paid up or credited as paid up on the shares, together with arrears of dividends accrued thereon, before any return is made on the ordinary shares. The holders of the preference shares do not have the right to participate further in the profits or assets in respect of those shares. The 4.2% Net Cumulative Preference Shares entitle the holders thereof to attend or vote at any general meeting.

18. <u>Profit and Loss Account</u>		
Retained Profit at 6th April 1998	1,794,252	1,791,529
Profit for the financial year	<u>46,296</u>	<u>2,723</u>
Retained Profit at 5th April 1999	<u>£1,840,548</u>	<u>£1,794,252</u>

19. <u>Reconciliation of Movements in Shareholders' Funds</u>		
Profit for the financial year	61,686	4,613
Dividends	<u>15,390</u>	<u>1,890</u>
Net Addition to Shareholders' Funds	<u>46,296</u>	<u>2,723</u>
Opening Shareholders' Funds	<u>1,989,252</u>	<u>1,986,529</u>
Closing Shareholders' Funds	<u>£2,035,548</u>	<u>£1,989,252</u>

20. Capital Commitments

The Directors had placed no contracts for capital expenditure at 5th April 1999 (1998: Nil).