

REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1998
FOR
LEN CROSS FERTLIZERS LIMITED



LEN CROSS FERTLIZERS LIMITED

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FOR THE YEAR ENDED 30TH JUNE 1998

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LEN CROSS FERTLIZERS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 1998

DIRECTOR: L B Cross

SECRETARY: Mrs. S.R. Cross

REGISTERED OFFICE: 13 Sturdee Road
Leicester
Leicestershire
LE2 9EA

REGISTERED NUMBER: 3188321 (England and Wales)

AUDITORS: Cunnington & Company
Registered Auditors
130 New Walk
Leicester
LE1 7JA

LEN CROSS FERTILIZERS LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30TH JUNE 1998

The director presents his report with the financial statements of the company for the year ended 30th June 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of fertilizer selling.

DIVIDENDS

No interim dividend was paid during the year. The director recommends a final dividend of £30 per share.

The total distribution of dividends for the year ended 30th June 1998 will be £30,000.

DIRECTOR

L B Cross was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	30.6.98	1.7.97
Ordinary £1 shares	1,000	1,000

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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.

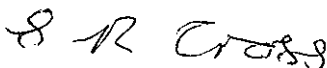
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Cunnington & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



on behalf of the board

Mrs. S.R. Cross - SECRETARY

Dated: 5th October 1998

James P. Cunningham
Chartered Accountant
Tony J. Smart
Chartered Accountant
Graham Smith
Chartered Certified Accountant

130 New Walk, LEICESTER
LE1 7JA

Telephone (0116) 233 2111
Facsimile (0116) 233 2112

Cunnington & Company

LEN CROSS FERTILIZERS LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF LEN CROSS FERTILIZERS LIMITED

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is 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 director 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 as at 30th June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cunnington & Company
Registered Auditors
130 New Walk
Leicester
LE1 7JA
Dated: 5th October 1998

LEN CROSS FERTILIZERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1998

		1998	1997
	Notes	£	£
TURNOVER	2	731,108	1,282,634
Cost of sales		724,145	1,151,540
GROSS PROFIT		6,963	131,094
Administrative expenses		120,044	83,340
		(113,081)	47,754
Other operating income		153,946	128,510
OPERATING PROFIT	4	40,865	176,264
Interest receivable and similar income	5	8,359	6,412
		49,224	182,676
Interest payable and similar charges	6	3,045	745
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,179	181,931
Tax on profit on ordinary activities	7	9,320	42,958
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		36,859	138,973
Dividends	8	30,000	-
		6,859	138,973
Retained profit brought forward		138,973	-
RETAINED PROFIT CARRIED FORWARD		£145,832	£138,973

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

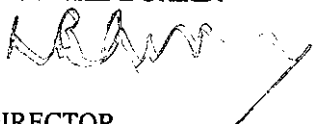
The company has no recognised gains or losses other than the profits for the current and previous years.

LEN CROSS FERTILIZERS LIMITED

BALANCE SHEET
30TH JUNE 1998

		1998		1997	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9		39,763		30,794
CURRENT ASSETS:					
Debtors	10	39,445		117,206	
Cash at bank		182,755		118,824	
		<u>222,200</u>		<u>236,030</u>	
CREDITORS: Amounts falling due within one year	11	<u>110,166</u>		<u>126,851</u>	
NET CURRENT ASSETS:			112,034		109,179
TOTAL ASSETS LESS CURRENT LIABILITIES:			151,797		139,973
CREDITORS: Amounts falling due after more than one year	12		4,965		-
			<u>£146,832</u>		<u>£139,973</u>
CAPITAL AND RESERVES:					
Called up share capital	14		1,000		1,000
Profit and loss account			145,832		138,973
Shareholders' funds	15		<u>£146,832</u>		<u>£139,973</u>

ON BEHALF OF THE BOARD:



L B Cross - DIRECTOR

Approved by the Board on 5th October 1998

LEN CROSS FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1998

ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

STAFF COSTS

	1998	1997
	£	£
Wages and salaries	43,239	24,538
Other pension costs	727	721
	43,966	25,259

The average monthly number of employees during the year was as follows:

1998	1997
4	4

LEN CROSS FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1998

4. OPERATING PROFIT

The operating profit is stated after charging:

	1998	1997
	£	£
Depreciation - owned assets	3,432	8,518
Depreciation - assets on hire purchase contracts	3,733	-
Loss on disposal of fixed assets	2,500	3,113
Auditors' remuneration	2,200	1,600
	<u> </u>	<u> </u>

Director's emoluments	-	-
	<u> </u>	<u> </u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1998	1997
	£	£
Bank interest received	8,359	6,412
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997
	£	£
Hire purchase	3,045	745
	<u> </u>	<u> </u>

7. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1998	1997
	£	£
UK Corporation Tax	9,320	42,958
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 21 % (1997 - 24 %).

8. DIVIDENDS

	1998	1997
	£	£
Equity shares:		
Final - share type 1	30,000	-
	<u> </u>	<u> </u>

LEN CROSS FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1998

9. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
COST:			
At 1st July 1997	7,525	30,000	37,525
Additions	9,634	32,000	41,634
Disposals	-	(30,000)	(30,000)
At 30th June 1998	17,159	32,000	49,159
DEPRECIATION:			
At 1st July 1997	2,231	4,500	6,731
Charge for year	3,432	3,733	7,165
Eliminated on disposals	-	(4,500)	(4,500)
At 30th June 1998	5,663	3,733	9,396
NET BOOK VALUE:			
At 30th June 1998	11,496	28,267	39,763
At 30th June 1997	5,294	25,500	30,794

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
Additions	32,000
At 30th June 1998	32,000
DEPRECIATION:	
Charge for year	3,733
At 30th June 1998	3,733
NET BOOK VALUE:	
At 30th June 1998	28,267

LEN CROSS FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1998

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998	1997
	£	£
V.A.T.	-	7,848
Trade debtors	35,693	107,680
Other debtors	3,249	1,271
Prepayments	503	407
	39,445	117,206

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998	1997
	£	£
Hire purchase contracts (see note 13)	9,931	14,302
Trade creditors	26,518	11,709
Directors current accounts	52,774	54,360
Other trade creditors	-	581
V.A.T.	9,261	-
Taxation	1,820	42,958
Accrued expenses	9,862	2,941
	110,166	126,851

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1998	1997
	£	£
Hire purchase contracts (see note 13)	4,965	-

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	1998	1997
	£	£
Gross obligations repayable:		
Within one year	9,931	14,302
Between one and five years	4,965	-
	14,896	14,302
Net obligations repayable:		
Within one year	9,931	14,302
Between one and five years	4,965	-
	14,896	14,302

LEN CROSS FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1998

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1998	1997
		£1	£	£
1,000	Ordinary		1,000	1,000
			<u> </u>	<u> </u>

Allotted and issued:				
Number:	Class:	Nominal value:	1998	1997
		£1	£	£
1,000	Share capital 1		1,000	1,000
			<u> </u>	<u> </u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Profit for the financial year	36,859	138,973
Dividends	(30,000)	-
	<u> </u>	<u> </u>
Share capital issued	6,859	138,973
	-	1,000
	<u> </u>	<u> </u>
NET ADDITION TO SHAREHOLDERS' FUNDS	6,859	139,973
Opening shareholders' funds	139,973	-
	<u> </u>	<u> </u>
CLOSING SHAREHOLDERS' FUNDS	146,832	139,973
	<u> </u>	<u> </u>
Equity interests	146,832	139,973
	<u> </u>	<u> </u>