

HURMAN ENTERPRISES LIMITED
FINANCIAL STATEMENTS
31 MAY 2003



CHEDZOY BUTTERWORTH

Chartered Accountants
2 Chartfield House
Castle Street
Taunton
Somerset
TA1 4AS

HURMAN ENTERPRISES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

CONTENTS	PAGE
The director's report	1
Profit and loss account	2
Statement of total recognised gains and losses	3
Balance sheet	4
Notes to the financial statements	6
The following pages do not form part of the financial statements	
Detailed profit and loss account	11
Notes to the detailed profit and loss account	12

HURMAN ENTERPRISES LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 MAY 2003

The director presents his report and the unaudited financial statements of the company for the year ended 31 May 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was farming.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 May 2003	At 1 June 2002
Mr P Hurman	<u>634,275</u>	<u>634,275</u>

SMALL COMPANY PROVISIONS

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

Registered office:
Washers Farm
Fitzhead
Taunton
Somerset
TA4 3LA

Signed by order of the director

MRS C R HURMAN
Company Secretary

Approved by the director on 23 January 2004

HURMAN ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY 2003

	Note	2003 £	2002 £
TURNOVER		49,939	38,744
Cost of sales		<u>30,519</u>	<u>19,594</u>
GROSS PROFIT		19,420	19,150
Administrative expenses		<u>53,076</u>	<u>30,156</u>
OPERATING LOSS	2	(33,656)	(11,006)
Interest receivable		18	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(33,638)</u>	<u>(11,006)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(33,638)</u>	<u>(11,006)</u>

The notes on pages 6 to 9 form part of these financial statements.

HURMAN ENTERPRISES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MAY 2003

	2003 £	2002 £
Loss for the financial year attributable to the shareholders	(33,638)	(11,006)
Unrealised profit on revaluation of certain fixed assets	—	7,000
Total gains and losses recognised since the last annual report	<u>(33,638)</u>	<u>(4,006)</u>

The notes on pages 6 to 9 form part of these financial statements.

HURMAN ENTERPRISES LIMITED

BALANCE SHEET

31 MAY 2003

	Note	2003 £	£	2002 £	£
FIXED ASSETS					
Intangible assets	3		179,585		189,562
Tangible assets	4		477,305		481,308
Investments	5		75		60
			<u>656,965</u>		<u>670,930</u>
CURRENT ASSETS					
Stocks		10,752		12,825	
Debtors	6	<u>2,848</u>		<u>2,936</u>	
		13,600		15,761	
CREDITORS: Amounts falling due within one year	7	<u>75,787</u>		<u>58,275</u>	
NET CURRENT LIABILITIES			<u>(62,187)</u>		<u>(42,514)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>594,778</u>		<u>628,416</u>
CREDITORS: Amounts falling due after more than one year	8		<u>70,300</u>		<u>70,300</u>
			<u>524,478</u>		<u>558,116</u>

The Balance sheet continues on the following page.
The notes on pages 6 to 9 form part of these financial statements.

HURMAN ENTERPRISES LIMITED

BALANCE SHEET (continued)

31 MAY 2003

	Note	2003 £	2002 £
CAPITAL AND RESERVES			
Called-up equity share capital	11	634,275	634,275
Revaluation reserve		7,000	7,000
Profit and loss account		(116,797)	(83,159)
SHAREHOLDERS' FUNDS		<u>524,478</u>	<u>558,116</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 23 January 2004.

MR P HURMAN

The notes on pages 6 to 9 form part of these financial statements.

HURMAN ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts have been prepared under the historical cost convention and in accordance with Reporting Standard for Smaller Entities (effective March 2000).

The deer, suckler cow and beef suckler herds are accounted for under the herd basis for tax purposes. A similar policy is adopted for accounts purposes whereby only the cost of increases in the herd is included subject to a deduction for the cost of animals not replaced.

Increases in the herd are dealt with as other livestock sales in the profit and loss account. Sale proceeds of animals and cost of purchases are included in turnover and cost of sales respectively.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Milk Quota - 5 % straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Landlord fixtures	- 5 % reducing balance
Plant & Machinery	- 25 % reducing balance
Tenant Fixtures	- 15 % reducing balance

Deer, suckler cow and beef suckler herds are not depreciated, as they are permanently maintained and are not regarded as having finite life.

Stocks

Stock is valued at the lower of cost or net realisable value. In the case of livestock this comprises of market value less a deduction to reduce to estimated initial cost plus cost of rearing at the balance sheet date.

HURMAN ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2003	2002
	£	£
Director's emoluments	6,062	4,511
Amortisation	9,977	9,977
Depreciation of owned fixed assets	3,588	4,093
Profit on disposal of fixed assets	—	(31,786)

3. INTANGIBLE FIXED ASSETS

	Milk Quota £
COST	
At 1 June 2002 and 31 May 2003	<u>199,539</u>
AMORTISATION	
At 1 June 2002	9,977
Charge for the year	<u>9,977</u>
At 31 May 2003	<u>19,954</u>
NET BOOK VALUE	
At 31 May 2003	<u>179,585</u>
At 31 May 2002	<u>189,562</u>

HURMAN ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

4. TANGIBLE FIXED ASSETS

	Freehold Farm and Landlord Fixtures £	Plant & Machinery £	Tenant Fixtures £	Herds £	Total £
COST OR VALUATION					
At 1 June 2002	451,608	49,229	2,761	40,634	544,232
Additions	—	—	1,040	—	1,040
Disposals	—	(250)	—	(1,205)	(1,455)
At 31 May 2003	451,608	48,979	3,801	39,429	543,817
DEPRECIATION					
At 1 June 2002	17,415	43,550	1,959	—	62,924
Charge for the year	1,955	1,357	276	—	3,588
At 31 May 2003	19,370	44,907	2,235	—	66,512
NET BOOK VALUE					
At 31 May 2003	432,238	4,072	1,566	39,429	477,305
At 31 May 2002	434,193	5,679	802	40,634	481,308

5. INVESTMENTS

	Mole Valley £
COST	
At 1 June 2002	60
Additions	15
At 31 May 2003	75
NET BOOK VALUE	
At 31 May 2003	75
At 31 May 2002	60

6. DEBTORS

	2003 £	2002 £
Trade debtors	—	228
Directors loan accounts	1,636	1,674
Other debtors	1,212	1,034
	2,848	2,936

HURMAN ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

7. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	72,649	55,718
Trade creditors	2,388	2,272
Other creditors	750	285
	<u>75,787</u>	<u>58,275</u>

8. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	<u>70,300</u>	<u>70,300</u>

The bank loan is a mortgage, which is secured of the farm for £200,000.

9. TRANSACTIONS WITH THE DIRECTOR

There is a director's overdrawn loan account with a balance at 31 May 2003 of £1,636. The highest balance during the year was £1,674.

10. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Hurman throughout the current and previous year. Mr Hurman is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

11. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
702,830 Ordinary shares of £1 each	<u>702,830</u>	<u>702,830</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	634,275	634,275	634,275	634,275