

**GEORGE MARSHALL (ANCRUM) LTD  
CAMIESTON, ST BOSWELLS**

**REPORT AND ACCOUNTS**

for the year ended 30 June 1997

Company No 32243



# GEORGE MARSHALL (ANCRUM) LTD

## REPORT OF THE DIRECTORS for the year ended 30 June 1997

DIRECTORS: Mr George Marshall  
Mrs Christina Marshall  
Mr Roy W G Marshall  
Mr Eric S Marshall

SECRETARY: Mr David P Sturrock

REGISTERED OFFICE: 26 High Street, Jedburgh

The directors present their annual report and accounts for the year ended 30 June 1997.

### FINANCIAL RESULTS

Loss for the year after taxation £(7,480)

The directors recommend that no dividend be paid

### PRINCIPAL ACTIVITIES

The company's principal activities are farming and livestock dealing.

### REVIEW OF BUSINESS

While not considered satisfactory, the results for the year were to be expected given the prevailing economic and market conditions and the directors expect that the present level of activity will be sustained for the foreseeable future.

### FIXED ASSETS

Movements in fixed assets during the year are set out in note 6 to the accounts. The directors consider the market value of land and buildings to be around £750,000 as compared with the net book value of £319,136 shown in the accounts.

### DIRECTORS AND THEIR INTERESTS

The directors at 30 June 1997 and their interests in the share capital of the company were as follows:

|                        | At 30 June 1997 | At 30 June 1996 |
|------------------------|-----------------|-----------------|
|                        | Ordinary Shares | Ordinary Shares |
| Mr George Marshall     | 5               | 5               |
| Mrs Christina Marshall | 5               | 5               |
| Mr Roy Marshall        | 45              | 45              |
| Mr Eric Marshall       | <u>45</u>       | <u>45</u>       |

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to

- Select suitable accounting policies and then 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 accounts.
- Prepare the accounts 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 accounts 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 proposing the re-appointment of Geoghegan & Co, CA, as auditors of the company will be submitted at the forthcoming Annual General Meeting.

## ON BEHALF OF THE BOARD



GEORGE MARSHALL  
Chairman

Camleston  
ST BOSWELLS

2 April 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
GEORGE MARSHALL (ANCRUM) LIMITED

We have audited the accounts on pages 4 to 10 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 pages 1 and 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GEOGHEGAN & CO  
Chartered Accountants and  
Registered Auditors

6 St Colme Street  
EDINBURGH EH3 6AD

4 April 1998

# GEORGE MARSHALL (ANCRUM) LTD

## PROFIT AND LOSS ACCOUNT for the year ended 30 June 1997

|                                                         | Notes |                 | 1996            |
|---------------------------------------------------------|-------|-----------------|-----------------|
| Turnover-continuing operations                          | 2     | 577,323         | 626,490         |
| Changes in stocks                                       |       | <u>(9,378)</u>  | <u>22,186</u>   |
|                                                         |       | 567,945         | 648,676         |
| Other operating income                                  |       | <u>14,426</u>   | <u>8,991</u>    |
|                                                         |       | 582,371         | 657,667         |
| Raw materials and consumables                           |       | 367,544         | 414,573         |
| Other external charges                                  |       | <u>53,992</u>   | <u>62,131</u>   |
|                                                         |       | 421,536         | 476,704         |
|                                                         |       | 160,835         | 180,963         |
| Staff costs                                             | 3     | 88,312          | 83,494          |
| Depreciation                                            |       | 51,778          | 44,346          |
| Other operating charges                                 |       | <u>31,644</u>   | <u>23,905</u>   |
|                                                         |       | 171,734         | 151,745         |
| Operating loss                                          |       | (10,899)        | 29,218          |
| Interest receivable                                     |       | 2,019           | 4,725           |
| Interest payable                                        | 6     | <u>587</u>      | <u>451</u>      |
|                                                         |       | 1,432           | 4,274           |
| (Loss)/profit on ordinary activities<br>before taxation |       | (9,467)         | 33,492          |
| Tax on profit on ordinary activities                    | 7     | <u>(1,987)</u>  | <u>9,522</u>    |
| Retained (loss)/profit for the financial<br>year        |       | (7,480)         | 23,970          |
| Retained profit brought forward                         |       | <u>669,463</u>  | <u>645,493</u>  |
| Retained profit carried forward                         |       | <u>£661,983</u> | <u>£669,463</u> |

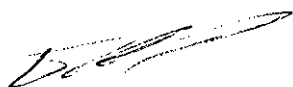
All transactions are in respect of continuing operations.

The company had no recognised gains or losses in the years ended 30 June 1996 and 1997 other than disclosed above.

# GEORGE MARSHALL (ANCRUM) LTD

## BALANCE SHEET as at 30 June 1997

|                                                            | Notes |                        | 1996                   |
|------------------------------------------------------------|-------|------------------------|------------------------|
| FIXED ASSETS                                               |       |                        |                        |
| Tangible assets                                            | 8     | 493,498                | 470,104                |
| CURRENT ASSETS                                             |       |                        |                        |
| Stocks                                                     |       | 192,435                | 201,813                |
| Debtors                                                    | 9     | 15,325                 | 13,073                 |
| Cash at bank and in hand                                   |       | 40,559                 | 51,994                 |
|                                                            |       | <u>248,319</u>         | <u>266,880</u>         |
| CREDITORS: Amounts falling due<br>within one year          | 10    | <u>66,752</u>          | <u>54,619</u>          |
| NET CURRENT ASSETS                                         |       | <u>181,567</u>         | <u>212,261</u>         |
| TOTAL ASSETS LESS CURRENT LIABILITIES                      |       | <u>675,065</u>         | <u>682,365</u>         |
| CREDITORS: Amounts falling due after<br>more than one year | 10    | <u>-</u>               | <u>-</u>               |
|                                                            |       | <u>675,065</u>         | <u>682,365</u>         |
| PROVISIONS FOR LIABILITIES AND CHARGES                     |       |                        |                        |
| Deferred taxation                                          | 11    | 11,954                 | 11,593                 |
| Deferred income                                            | 12    | <u>1,028</u>           | <u>1,209</u>           |
|                                                            |       | <u>12,982</u>          | <u>12,802</u>          |
| NET ASSETS                                                 |       | <u><u>£662,083</u></u> | <u><u>£669,563</u></u> |
| CAPITAL AND RESERVES                                       |       |                        |                        |
| Called up share capital                                    | 13    | 100                    | 100                    |
| Profit and loss account                                    |       | <u>661,983</u>         | <u>669,463</u>         |
| EQUITY SHAREHOLDERS' FUNDS                                 |       | <u><u>£662,083</u></u> | <u><u>£669,563</u></u> |



ERIC S MARSHALL (Director)  
2 April 1998

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### **Accounting Convention**

The accounts have been prepared under the historical cost convention.

#### **Turnover**

Turnover represents the invoiced value of goods sold and services provided, exclusive of value added tax.

#### **Tangible Fixed Assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition and under deduction of capital grants received before 1980.

Depreciation is charged as follows:

|                | Rate % |                  |
|----------------|--------|------------------|
| Buildings      | 2      | Straight line    |
| Improvements   | 15     | Reducing balance |
| Implements     | 20     | Reducing balance |
| Motor vehicles | 25     | Reducing balance |

Depreciation of buildings commenced in the year ended 30 June 1994 and depreciation is not provided on freehold land.

#### **Deferred government grants**

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets. Prior to 30 June 1994 capital grants were deducted from the cost of the relevant assets. Grants of a revenue nature are credited to income in the period to which they relate.

#### **Stocks**

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

#### **Deferred Taxation**

Deferred taxation is provided by the liability method on all timing differences arising between profits as reported and those computed for tax purposes.

#### **Pension**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2. TURNOVER

The turnover and pre-tax profit are attributable to UK sales and to one activity, farming and livestock dealing.

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE ACCOUNTS (Cont'd)

### 3. STAFF COSTS

|                                            | 1996           |                |
|--------------------------------------------|----------------|----------------|
| Wages and salaries                         | 75,364         | 71,247         |
| Social security costs                      | 7,801          | 7,100          |
| Other pension costs                        | 5,147          | 5,147          |
|                                            | <u>£88,312</u> | <u>£83,494</u> |
| The average weekly number of employees was | <u>7</u>       | <u>7</u>       |

### 4. DIRECTORS' EMOLUMENTS

|                                                    | 1996           |                |
|----------------------------------------------------|----------------|----------------|
| Fees                                               | -              | -              |
| Other emoluments (including pension contributions) | 79,078         | 73,591         |
|                                                    | <u>£79,078</u> | <u>£73,591</u> |

Directors' emoluments (excluding pension contributions) fell within the following ranges:

|                   |   |   |
|-------------------|---|---|
| £ 5,001 - £10,000 | 1 | - |
| £10,001 - £15,000 | 1 | 1 |
| £15,001 - £20,000 | - | 1 |
| £20,001 - £25,000 | - | 2 |
| £25,001 - £30,000 | 2 | - |

The emoluments (excluding pension contributions) of the Chairman were £8,936 (1996 - £15,261) and the highest paid director were £27,459 (1996 - £21,630).

### 5. OPERATING PROFIT

|                                            | 1996     |         |
|--------------------------------------------|----------|---------|
| This is stated after charging/(crediting): |          |         |
| Depreciation                               | £51,959  | £44,559 |
| Directors' remuneration                    | 79,078   | 73,591  |
| Auditors' remuneration - audit services    | 1,000    | 1,000   |
| - non audit service                        | 4,250    | 3,750   |
| Gain on sale of fixed assets               | (13,086) | (7,951) |
| Capital grant released                     | (181)    | (213)   |

Directors' remuneration consists of:

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Remuneration for executive services | 73,931         | 68,444         |
| Pension contributions               | 5,147          | 5,147          |
|                                     | <u>£79,078</u> | <u>£73,591</u> |

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE ACCOUNTS (Cont'd)

### 6. INTEREST PAYABLE

|                         |             |             |
|-------------------------|-------------|-------------|
| Bank overdraft interest | <u>£587</u> | <u>£451</u> |
|-------------------------|-------------|-------------|

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

In respect of the year under review:

|                                                       |            |            |
|-------------------------------------------------------|------------|------------|
| Corporation (recoverable) tax at 24.75% (1996 24.75%) | (2,348)    | 9,228      |
| Deferred taxation                                     | <u>361</u> | <u>294</u> |

|  |         |       |
|--|---------|-------|
|  | (1,987) | 9,522 |
|--|---------|-------|

|                           |          |          |
|---------------------------|----------|----------|
| In respect of prior years | <u>-</u> | <u>-</u> |
|---------------------------|----------|----------|

|  |            |               |
|--|------------|---------------|
|  | <u>£ -</u> | <u>£9,522</u> |
|--|------------|---------------|

### 8. TANGIBLE ASSETS

|                                | Heritable<br>Property &<br>Improvements | Plant<br>Machinery &<br>Vehicles | Total           |
|--------------------------------|-----------------------------------------|----------------------------------|-----------------|
| Cost:                          |                                         |                                  |                 |
| At 30 June 1996                | 342,026                                 | 314,395                          | 656,421         |
| Additions                      | 1,077                                   | 86,440                           | 87,517          |
| Disposals                      | <u>-</u>                                | <u>(54,930)</u>                  | <u>(54,930)</u> |
| At 30 June 1997                | <u>343,103</u>                          | <u>345,905</u>                   | <u>689,008</u>  |
| Depreciation:                  |                                         |                                  |                 |
| At 30 June 1996                | 18,359                                  | 167,958                          | 186,317         |
| Disposals                      | -                                       | (42,766)                         | (42,766)        |
| Charge for year                | <u>5,608</u>                            | <u>46,351</u>                    | <u>51,959</u>   |
| At 30 June 1997                | <u>23,967</u>                           | <u>171,543</u>                   | <u>195,510</u>  |
| Net book value at 30 June 1997 | <u>£319,136</u>                         | <u>£174,362</u>                  | <u>£493,498</u> |
| Net book value at 30 June 1996 | <u>£323,667</u>                         | <u>£146,437</u>                  | <u>£470,104</u> |

### 9. DEBTORS

|                 |                |                |
|-----------------|----------------|----------------|
|                 |                | 1996           |
| Trade debtors   | 1,679          | -              |
| Other debtors   | 3,480          | 5,658          |
| Prepayments     | 7,818          | 7,415          |
| Corporation Tax | <u>2,348</u>   | <u>-</u>       |
|                 | <u>£15,325</u> | <u>£13,073</u> |

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE ACCOUNTS (Cont'd)

### 10 CREDITORS

|                                    | 1997                                          |                                                           | 1996                                          |                                                           |
|------------------------------------|-----------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|
|                                    | Amounts<br>falling due<br>within one<br>year. | Amounts<br>falling due<br>after more<br>than one<br>year. | Amounts<br>falling due<br>within one<br>year. | Amounts<br>falling due<br>after more<br>than one<br>year. |
| Trade creditors                    | 23,768                                        | -                                                         | 1,710                                         | -                                                         |
| Loans from directors               | 29,579                                        | -                                                         | 31,374                                        | -                                                         |
| Corporation tax                    | -                                             | -                                                         | 9,228                                         | -                                                         |
| Other taxation and social security | 3,433                                         | -                                                         | 3,410                                         | -                                                         |
| Accruals and deferred income       | 9,972                                         | -                                                         | 8,897                                         | -                                                         |
|                                    | <u>£66,752</u>                                | <u>£ -</u>                                                | <u>£54,619</u>                                | <u>£ -</u>                                                |
| Payable within five years          |                                               | <u>£ -</u>                                                |                                               | <u>£ -</u>                                                |

### 11. DEFERRED TAXATION

Deferred taxation provided in the accounts and the amount of the total potential liability unprovided are as follows:

|                                               | Amount provided |                | Amount unprovided |            |
|-----------------------------------------------|-----------------|----------------|-------------------|------------|
|                                               | 1997            | 1996           | 1997              | 1996       |
| Capital allowances in advance of depreciation | <u>£11,954</u>  | <u>£11,593</u> | <u>£ -</u>        | <u>£ -</u> |

### 12. DEFERRED INCOME

|                            | Deferred government grant |               |
|----------------------------|---------------------------|---------------|
|                            | 1997                      | 1996          |
| Balance as at 30 June 1996 | 1,209                     | 1,422         |
| Released during year       | <u>(181)</u>              | <u>(213)</u>  |
| Balance as at 30 June 1997 | <u>£1,028</u>             | <u>£1,209</u> |

### 13. SHARE CAPITAL

|                            | Authorised  |             | Allotted, called up and fully paid |             |
|----------------------------|-------------|-------------|------------------------------------|-------------|
|                            | 1997        | 1996        | 1997                               | 1996        |
| Ordinary shares of £1 each | <u>£100</u> | <u>£100</u> | <u>£100</u>                        | <u>£100</u> |

### 14. CAPITAL COMMITMENTS

|                               | 1996     |          |
|-------------------------------|----------|----------|
|                               | £        |          |
| Contracted                    | -        | £13,500  |
| Authorised but not contracted | <u>-</u> | <u>-</u> |

## **GEORGE MARSHALL (ANCRUM) LTD**

### **NOTES TO THE ACCOUNTS (Cont'd)**

#### **15. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund.