

Company Registration No. 32243 (Scotland)

**GEORGE MARSHALL (ANCRUM) LTD**  
**DIRECTORS' REPORT**  
**AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**



# GEORGE MARSHALL (ANCRUM) LTD

## COMPANY INFORMATION

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**Directors**

G Marshall  
C Marshall  
R W G Marshall  
E S Marshall

**Secretary**

D P Sturrock

**Company number**

32243

**Registered office**

Camieston  
St Boswells  
Melrose  
Roxburghshire  
TD6 0HJ

**Accountants**

Geoghegan & Co  
6 St Colme Street  
Edinburgh  
EH3 6AD

**Bankers**

Bank of Scotland  
40 High Street  
Jedburgh  
Roxburghshire  
TD8 6BR

**Solicitors**

Turnbull, Simson & Sturrock W.S.  
26 High Street  
Jedburgh  
Roxburghshire  
TD8 6AE

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# GEORGE MARSHALL (ANCRUM) LTD

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# GEORGE MARSHALL (ANCRUM) LTD

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

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The directors present their report and financial statements for the year ended 30 June 2004.

### Principal activities

The principal activity of the company continued to be that of farming and livestock dealing.

The results for the year show an improvement over recent years. This is largely a result of a gain from the sale of a property during the year. There has also been an improvement in prevailing economic and market conditions, therefore the results net of the gain would still show an improvement over recent years. The directors hope that the present level of activity can be sustained for the foreseeable future.

### Directors

The following directors have held office since 1 July 2003:

G Marshall  
C Marshall  
R W G Marshall  
E S Marshall

### Directors' interests

The directors' interests in the shares of the company were as stated below:

|                | Ordinary of £ 1 each |             |
|----------------|----------------------|-------------|
|                | 30 June 2004         | 1 July 2003 |
| G Marshall     | 5                    | 5           |
| C Marshall     | 5                    | 5           |
| R W G Marshall | 45                   | 45          |
| E S Marshall   | 45                   | 45          |

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

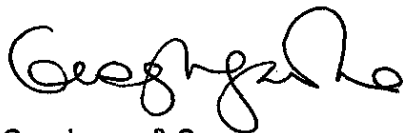
  
G Marshall  
Director  
15 April 2005

# GEORGE MARSHALL (ANCRUM) LTD

## ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF GEORGE MARSHALL (ANCRUM) LTD

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As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2004, set out on pages 3 to 11 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Geoghegan & Co

Chartered Accountants

15 April 2005

6 St Colme Street  
Edinburgh  
EH3 6AD

# GEORGE MARSHALL (ANCRUM) LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

|                                                             | Notes     | 2004<br>£      | 2003<br>£       |
|-------------------------------------------------------------|-----------|----------------|-----------------|
| Turnover                                                    |           | 630,996        | 542,279         |
| Change in stocks                                            |           | 848            | 97,385          |
|                                                             |           | <u>631,844</u> | <u>639,664</u>  |
| Other operating income                                      |           | 50,020         | 1,873           |
|                                                             |           | <u>681,864</u> | <u>641,537</u>  |
| Raw materials and other consumables                         |           | 382,015        | 423,707         |
| Other external charges                                      |           | 88,074         | 81,469          |
|                                                             |           | <u>470,089</u> | <u>505,176</u>  |
|                                                             |           | <u>211,775</u> | <u>136,361</u>  |
| Staff costs                                                 |           | 100,075        | 102,379         |
| Depreciation and amortisation                               |           | 45,497         | 52,895          |
| Other operating charges                                     |           | 23,438         | 21,146          |
|                                                             |           | <u>169,010</u> | <u>176,420</u>  |
| <b>Operating profit/(loss)</b>                              | <b>2</b>  | <b>42,765</b>  | <b>(40,059)</b> |
| Other interest receivable and similar income                | <b>3</b>  | 146            | 61              |
| Interest payable and similar charges                        |           | (16,631)       | (18,176)        |
|                                                             |           | <u>26,280</u>  | <u>(58,174)</u> |
| <b>Profit/(loss) on ordinary activities before taxation</b> |           | <b>26,280</b>  | <b>(58,174)</b> |
| Tax on profit/(loss) on ordinary activities                 | <b>4</b>  | -              | -               |
|                                                             |           | <u>26,280</u>  | <u>(58,174)</u> |
| <b>Profit/(loss) on ordinary activities after taxation</b>  | <b>15</b> | <b>26,280</b>  | <b>(58,174)</b> |

# GEORGE MARSHALL (ANCRUM) LTD

## BALANCE SHEET AS AT 30 JUNE 2004

|                                                                | Notes | 2004<br>£        | £               | 2003<br>£        | £               |
|----------------------------------------------------------------|-------|------------------|-----------------|------------------|-----------------|
| <b>Fixed assets</b>                                            |       |                  |                 |                  |                 |
| Intangible assets                                              | 5     |                  | 7,312           |                  | 7,312           |
| Tangible assets                                                | 6     |                  | 582,299         |                  | 601,639         |
| Investments                                                    | 7     |                  | 50              |                  | 50              |
|                                                                |       |                  | <u>589,661</u>  |                  | <u>609,001</u>  |
| <b>Current assets</b>                                          |       |                  |                 |                  |                 |
| Stocks                                                         |       | 268,331          |                 | 273,175          |                 |
| Debtors                                                        | 8     | 15,064           |                 | 24,828           |                 |
|                                                                |       | <u>283,395</u>   |                 | <u>298,003</u>   |                 |
| <b>Creditors: amounts falling due within one year</b>          | 9     | <u>(309,736)</u> |                 | <u>(352,159)</u> |                 |
| <b>Net current liabilities</b>                                 |       |                  | <u>(26,341)</u> |                  | <u>(54,156)</u> |
| <b>Total assets less current liabilities</b>                   |       |                  | 563,320         |                  | 554,845         |
| <b>Creditors: amounts falling due after more than one year</b> | 10    |                  | (39,063)        |                  | (56,810)        |
| <b>Accruals and deferred income</b>                            | 12    |                  | (330)           |                  | (388)           |
|                                                                |       |                  | <u>523,927</u>  |                  | <u>497,647</u>  |
| <b>Capital and reserves</b>                                    |       |                  |                 |                  |                 |
| Called up share capital                                        | 14    |                  | 100             |                  | 100             |
| Profit and loss account                                        | 15    |                  | 523,827         |                  | 497,547         |
| <b>Shareholders' funds</b>                                     |       |                  | <u>523,927</u>  |                  | <u>497,647</u>  |

# GEORGE MARSHALL (ANCRUM) LTD

## BALANCE SHEET (CONTINUED) AS AT 30 JUNE 2004

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In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - (ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 15 April 2005



E S Marshall  
Director

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

#### 1.4 Intangible assets

Intangible assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                             |                                                                  |
|-----------------------------|------------------------------------------------------------------|
| Land and buildings Freehold | 2% Straight line & 15% reducing balance on property improvements |
| Plant and machinery         | 20% Reducing balance                                             |
| Motor vehicles              | 25% Reducing balance                                             |

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.8 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 1 Accounting policies

(continued)

#### 1.10 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### 1.11 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.

| 2 | Operating profit/(loss)                           | 2004<br>£ | 2003<br>£ |
|---|---------------------------------------------------|-----------|-----------|
|   | Operating profit/(loss) is stated after charging: |           |           |
|   | Depreciation of tangible assets                   | 45,497    | 52,895    |
|   | Accountancy fees                                  | 5,000     | 5,250     |
|   | Directors' emoluments                             | 79,956    | 80,772    |
|   | and after crediting:                              |           |           |
|   | Government grants                                 | 58        | 68        |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2003- 3).

| 3 | Investment income | 2004<br>£ | 2003<br>£ |
|---|-------------------|-----------|-----------|
|   | Bank interest     | 146       | 61        |

| 4 | Taxation           | 2004<br>£ | 2003<br>£ |
|---|--------------------|-----------|-----------|
|   | Current tax charge | -         | -         |

The company has estimated losses of £ 91,485 (2003: £ 179,071) available for carry forward against future trading profits.

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 5 Intangible fixed assets

|                                  | Intangible<br>assets<br>£ |
|----------------------------------|---------------------------|
| <b>Cost</b>                      |                           |
| At 1 July 2003 & at 30 June 2004 | 7,312                     |
| <b>Net book value</b>            |                           |
| At 30 June 2004                  | 7,312                     |
| At 30 June 2003                  | 7,312                     |

### 6 Tangible fixed assets

|                       | Land and<br>buildings | Plant and<br>machinery etc | Total   |
|-----------------------|-----------------------|----------------------------|---------|
|                       | £                     | £                          | £       |
| <b>Cost</b>           |                       |                            |         |
| At 1 July 2003        | 480,367               | 423,340                    | 903,707 |
| Additions             | 20,270                | 9,065                      | 29,335  |
| Disposals             | (1,807)               | (3,261)                    | (5,068) |
| At 30 June 2004       | 498,830               | 429,144                    | 927,974 |
| <b>Depreciation</b>   |                       |                            |         |
| At 1 July 2003        | 59,478                | 242,590                    | 302,068 |
| On disposals          | (346)                 | (1,544)                    | (1,890) |
| Charge for the year   | 7,805                 | 37,692                     | 45,497  |
| At 30 June 2004       | 66,937                | 278,738                    | 345,675 |
| <b>Net book value</b> |                       |                            |         |
| At 30 June 2004       | 431,893               | 150,406                    | 582,299 |
| At 30 June 2003       | 420,889               | 180,750                    | 601,639 |

The net book value of other tangible fixed assets includes £82,558 (2003- £105,008) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £20,640 (2003- £26,253) for the year.

The directors consider the market value of land and buildings to be around £1,100,000 compared with the net book value of £420,889 shown in the accounts.

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 7 Fixed asset investments

|                                  | Unlisted<br>investments<br>£ |
|----------------------------------|------------------------------|
| <b>Cost</b>                      |                              |
| At 1 July 2003 & at 30 June 2004 | 50                           |

| 8 Debtors     | 2004<br>£     | 2003<br>£     |
|---------------|---------------|---------------|
| Trade debtors | 6,576         | 17,128        |
| Other debtors | 8,488         | 7,700         |
|               | <u>15,064</u> | <u>24,828</u> |

| 9 Creditors: amounts falling due within one year | 2004<br>£      | 2003<br>£      |
|--------------------------------------------------|----------------|----------------|
| Bank loans and overdrafts                        | 234,013        | 248,272        |
| Net obligations under hire purchase contracts    | 17,171         | 25,481         |
| Trade creditors                                  | 13,313         | 33,208         |
| Taxation and social security                     | 2,459          | 3,397          |
| Other creditors                                  | 42,780         | 41,801         |
|                                                  | <u>309,736</u> | <u>352,159</u> |

The bank overdraft is secured by a bond and floating charge over the whole assets of the company.

| 10 Creditors: amounts falling due after more than one year | 2004<br>£     | 2003<br>£     |
|------------------------------------------------------------|---------------|---------------|
| Net obligations under hire purchase contracts              | <u>39,063</u> | <u>56,810</u> |

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 11 Provisions for liabilities and charges

Deferred taxation provided in the financial statements is as follows:

|                                | 2004<br>£ | 2003<br>£ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | -         | 14,502    |
| Tax losses available           | -         | (14,502)  |
|                                | <u>-</u>  | <u>-</u>  |

If provisions were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the year would increase by £19,785 (2003: £nil) as a result of accelerated capital allowances and decrease by £16,641 (2003: £10,757) as a result of accumulated trade losses.

### 12 Accruals and deferred income

|                          | Government<br>grants<br>£ |
|--------------------------|---------------------------|
| Balance at 1 July 2003   | 388                       |
| Amortisation in the year | (58)                      |
| Balance at 30 June 2004  | <u>330</u>                |

### 13 Pension costs

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.

|                                                   | 2004<br>£    | 2003<br>£    |
|---------------------------------------------------|--------------|--------------|
| Contributions payable by the company for the year | <u>5,647</u> | <u>5,647</u> |

# GEORGE MARSHALL (ANCRUM) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

| 14 Share capital                          | 2004<br>£         | 2003<br>£         |
|-------------------------------------------|-------------------|-------------------|
| <b>Authorised</b>                         |                   |                   |
| 100 Ordinary of £1 each                   | 100               | 100               |
|                                           | <u>          </u> | <u>          </u> |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 100 Ordinary of £1 each                   | 100               | 100               |
|                                           | <u>          </u> | <u>          </u> |

### 15 Statement of movements on profit and loss account

|                              | Profit and<br>loss<br>account<br>£ |
|------------------------------|------------------------------------|
| Balance at 1 July 2003       | 497,547                            |
| Retained profit for the year | 26,280                             |
|                              | <u>          </u>                  |
| Balance at 30 June 2004      | 523,827                            |
|                              | <u>          </u>                  |

### 16 Control

By virtue of the share ownership split of the company, it is the opinion of the directors that there is no ultimate controlling party.