

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

ACCOUNTS FOR THE YEAR ENDED

28th MAY 1997

GREAVES WEST & AYRE

CHARTERED ACCOUNTANTS

BERWICK UPON TWEED

Registered Number :
SC34005



JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 28th MAY 1997

Responsibility for the Preparation of the

Financial Statements

Company law requires 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 as at the end of the year and of its profit or loss for the financial year. In preparing the 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, and 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.

Principal Activities

The company's principal activities are agricultural, public works and plant hire contracting and agriculture.

Directors Interests

In Shares of the Company

Directors who have served during the year and their interests in shares of the company are :-

	Class of Share	28.5.97	28.5.96
J. Rutherford	A Ordinary	4050	4050
Mrs. J. Rutherford	A Ordinary	1350	1350
R.J. Rutherford	A Ordinary	720	720
	B Ordinary	200	200

Auditors Interest in Shares

Mr. A.J. Patterson, a partner in Greaves West & Ayre, is a Trustee of J. Rutherford's Childrens Trust which holds 720 A ordinary shares of £1 each and 200 B ordinary shares of £1 each.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

DIRECTORS REPORT CONTINUED

Exemptions

In preparing this report the directors have taken advantage of special exemptions available to small companies conferred by Part VII of Schedule 8 to the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

By Order of the Board


A.M. Lamb

28th MAY 1998

Secretary

AUDITORS REPORT TO THE MEMBERS OF
JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are 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 directors 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 28th May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28th MAY 1998

Greaves West & Ayre
GREAVES WEST & AYRE
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS
BERWICK UPON TWEED

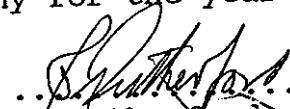
JOHNNY RUTHERFORD CONTRACTORS
(HUTTON) LIMITED
BALANCE SHEET AS AT 28th MAY 1997

<u>1996</u>		<u>Notes</u>	
	FIXED ASSETS		
430,061	Tangible assets	2	449,273
3,719	Investments	5	3,909
<u>433,780</u>			<u>453,182</u>
	CURRENT ASSETS		
69,141	Stocks	3	43,796
84,118	Debtors	4	114,414
23,000	Cash at bank : Deposit account		-
<u>176,259</u>			<u>158,210</u>
	Less : CURRENT LIABILITIES		
205,529	Amounts due within one year	6	215,172
<u>(29,270)</u>	NET CURRENT LIABILITIES		<u>(56,962)</u>
<u>404,510</u>	TOTAL ASSETS LESS CURRENT LIABILITIES		<u>396,220</u>
112,190	Creditors due in more than one year	7	97,162
26,039	Provision for liabilities and charges	8	23,940
<u>138,229</u>			<u>121,102</u>
<u>266,281</u>	NET ASSETS		<u>275,118</u>

JOHNNY RUTHERFORD CONTRACTORS
(HUTTON) LIMITED
BALANCE SHEET AS AT 28th MAY 1997

<u>1996</u>		<u>Notes</u>	
	CAPITAL AND RESERVES		
10,000	Share capital	9	10,000
256,281	Profit and loss account		265,118
			<u>275,118</u>
266,281	SHAREHOLDERS' FUNDS		
			<u>275,118</u>

In preparing these accounts, the directors have taken advantage of special exemptions available to small companies conferred by Part VII of Schedule 8 to the Companies Act 1985, and the Financial Reporting Standard for Smaller Entities, on the grounds that the company qualified as a small company for the year ended 28th May 1997.


)
 J. Rutherford)

)
 R.J. Rutherford) Directors

28th MAY 1998

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28th MAY 1997

<u>1996</u>		<u>Notes</u>	
624,306	<u>Turnover</u>		650,597
523,356	<u>Cost of sales</u>		540,276
100,950	<u>Gross profit</u>		110,321
91,500	<u>Administrative expenses</u>		92,216
9,450	<u>Trading profit</u>	10	18,105
1,039	<u>Interest received</u>	11	1,254
10,489	<u>Operating profit</u>		19,359
(8,367)	<u>Interest payable</u>	13	(12,370)
	<u>Profit from ordinary</u>		
2,122	<u>operations before taxation</u>		6,989
1,415	<u>Taxation</u>	12	1,849
3,537	<u>Profit for the year after taxation</u>		8,838
252,744	<u>Profit and loss account brought forward</u>		256,280
256,281	<u>Profit and loss account carried forward</u>		265,118

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE

YEAR ENDED 28th MAY 1997

1. Accounting Policies

a) Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and the Financial Reporting Standard for Smaller Entities.

b) Depreciation

Depreciation is calculated so as to write off the cost of the assets over their estimated useful lives. Depreciation is provided on those buildings which are considered to have a limited working life.

The following rates of depreciation are used:-

Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance
Office equipment	15% reducing balance
Buildings of a depreciable nature	10% of cost
Leased equipment	20% reducing balance

c) Stock of Materials

These are valued at the lower of cost and net realisable value.

d) Work in Progress

Short term work in progress is valued at the cost of labour and materials, including appropriate overheads.

e) Turnover

Turnover is stated as the amount exclusive of value added tax invoiced during the year net of credits and discounts, adjusted for work in progress.

f) Hire Purchase Creditors

Hire purchase finance charges are written off evenly over the duration of the contract. The balance shown as outstanding at the year end represents capital payments due.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

1. Accounting Policies Continued

g) Leased Assets

Assets leased under finance leases are capitalised at their fair value and depreciated over their useful lives.

h) Deferred Taxation

Deferred taxation is provided in full on the excess book value of assets qualifying for capital allowances over their tax written down value. No provision is made for capital gains subject to roll over relief claims. All provisions are made at 21%.

i) Pension Schemes

The company operates pension schemes for certain employees. These are money purchase arrangements only. Contributions are charged to profit and loss account as they fall due. Payments made during this financial year amounted to £3013. There were no amounts outstanding at the year end.

2. Fixed Assets

	Buildings	Office Equipment	Plant and Machinery
Cost			
Brought forward	17147	18331	1372530
Additions	-	3053	122151
Disposals	-	-	(91000)
	17147	21384	1403681
Depreciation			
Brought forward	16147	16159	1008556
Charge for year	200	396	93004
(On disposals)	-	-	(77733)
	16347	16555	1023827
Net Book Value 1997	800	4829	379854
Net Book Value 1996	1000	2172	363974

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets Continued

	Motor Vehicles	Leased Equipment	Total
Cost			
Brought forward	248828	10000	1666836
Additions	19705	-	144909
Disposals	-	-	(91000)
	268533	10000	1720745
Depreciation			
Brought forward	185913	10000	1236775
Charge for year	18830	-	112430
(On disposals)	-	-	(77733)
	204743	10000	1271472
Net Book Value 1997	63790	-	449273
Net Book Value 1996	62915	-	430061

Included in plant and machinery are assets acquired under finance agreements with a net book value at 28th May 1997 of £265648 on which depreciation of £62281 was charged during the year. Motor vehicles includes similarly financed assets with a net book value of £28227 on which depreciation of £9409 was charged.

	1997	1996
3. Stocks		
Work in progress	32796	56141
Sundry stocks	11000	13000
	43796	69141

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1997</u>	<u>1996</u>
4. Debtors		
Trade debtors	107337	74191
Other debtors	1602	6252
Prepayments	5475	3675
	<u>114414</u>	<u>84118</u>

5. Investments : All Unquoted

i) West Cumberland Farmers Trading Society Limited	340	320
ii) Farmway Limited	3569	3399
	<u>3909</u>	<u>3719</u>

The directors consider the value of (i) and (ii) to be not less than book value.

6. Creditors Due Within One Year

Trade creditors	29085	38104
Taxation and social security costs	74925	47556
Accruals	8030	6976
Other creditors	9482	9482
Hire/lease purchase creditors	81363	74685
Directors current accounts	3853	7267
Bank overdraft	8184	21459
Corporation tax	250	-
	<u>215172</u>	<u>205529</u>

The bank overdraft is secured by a bond and floating charge.

7. Creditors Due After One Year

Hire/lease purchase creditors	<u>97162</u>	<u>112190</u>
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Hire/lease purchase creditors are repayable within 5 years.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1997</u>	<u>1996</u>
8. Provision for Liabilities		
Deferred Taxation		
Brought forward	26039	27524
Transfer for current year	(3255)	(1485)
Rate change adjustment	1156	-
	<u>23940</u>	<u>26039</u>
9. Called Up Share Capital		
Authorised		
9000 A Ordinary shares of £1 each	9000	9000
1000 B Ordinary shares of £1 each	1000	1000
	<u>10000</u>	<u>10000</u>
Allotted, Called Up and Fully Paid		
A ordinary shares of £1 each	9000	9000
B ordinary shares of £1 each	1000	1000
	<u>10000</u>	<u>10000</u>
10. Trading Profit/(Loss) is Arrived at After Charging		
Depreciation	112430	90116
Surplus on disposal of fixed assets	11981	33664
Auditors remuneration	4000	4000
Staff Costs:		
Wages and salaries	183404	181940
Social security costs	14563	14259
Other pension costs	3013	3013
	<u>200980</u>	<u>199212</u>
Including those relating to directors:		
Fees and emoluments	26004	25539
Pension contributions	3013	3013
Social security costs	1787	1664
Estimated value of benefits	1392	1803
	<u>32196</u>	<u>32019</u>

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1997</u>	<u>1996</u>
11. Interest Received		
On short term bank deposits	1064	860
On other investments	190	179
	<u>1254</u>	<u>1039</u>
12. Taxation		
Corporation tax :		
Current year at 24%/21%	250	-
Deferred taxation :		
Prior year adjustment	-	70
Current year transfer	(3255)	(1485)
Rate change adjustment	1156	-
	<u>(1849)</u>	<u>(1415)</u>
13. Interest Payable		
On loans and overdrafts repayable within 5 years:		
On short term overdraft	104	1026
On hire/lease purchase loans	12266	7341
	<u>12370</u>	<u>8367</u>