

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

ACCOUNTS FOR THE YEAR ENDED

28th MAY 1998



IAM.

GREAVES WEST & AYRE

CHARTERED ACCOUNTANTS

BERWICK UPON TWEED

Registered Number :
SC34005

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 28th MAY 1998

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	28.5.98	28.5.97
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

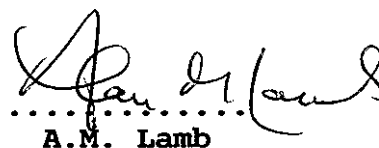
(HUTTON) LIMITED

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

DATE ..25/3/99.....

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 7 and 8.

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

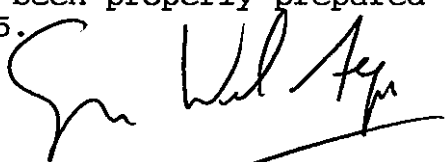
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DATE 25/3/99


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

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

BALANCE SHEET AS AT 28th MAY 1998

<u>1997</u>		<u>Notes</u>	
	FIXED ASSETS		
449,273	Tangible assets	2	386,185
3,909	Investments	5	4,123
<u>453,182</u>			<u>390,308</u>
	CURRENT ASSETS		
43,796	Stocks	3	54,969
114,414	Debtors	4	151,718
<u>158,210</u>			<u>206,687</u>
	CREDITORS :		
215,172	Amounts falling due within one year	6	257,719
<u>(56,962)</u>	NET CURRENT LIABILITIES		<u>(51,032)</u>
<u>396,220</u>	TOTAL ASSETS LESS CURRENT LIABILITIES		<u>339,276</u>
	CREDITORS :		
97,162	Amounts falling due after more than one year	7	69,614
	PROVISION FOR LIABILITIES AND		
23,940	CHARGES	8	16,963
<u>121,102</u>			<u>86,577</u>
<u>275,118</u>	NET ASSETS		<u>252,699</u>

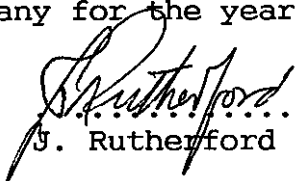
JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

BALANCE SHEET AS AT 28th MAY 1998

<u>1997</u>		<u>Notes</u>	
	<u>CAPITAL AND RESERVES</u>		
10,000	Called up share capital	9	10,000
265,118	Profit and loss account		242,699
<u>275,118</u>	<u>SHAREHOLDERS' FUNDS</u>		<u>252,699</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 1998.

	)	
J. Rutherford	)	
	)	
	)	
R.J. Rutherford	)	

Directors

DATE 25/3/99.

JOHNNY RUTHERFORD CONTRACTORS**(HUTTON) LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28th MAY 1998**

<u>1997</u>		<u>Notes</u>	
650,597	<u>Turnover</u>		623,840
540,276	<u>Cost of sales</u>		550,738
110,321	<u>Gross profit</u>		73,102
92,216	<u>Administrative expenses</u>		81,812
18,105	<u>Operating profit/(loss)</u>	10	(8,710)
1,254	<u>Interest received</u>	11	308
(12,370)	<u>Interest payable</u>	13	(20,995)
	<u>Profit or (Loss) from ordinary</u>		
6,989	<u>activities before taxation</u>		(29,397)
1,849	<u>Taxation</u>	12	6,977
	<u>Profit or (loss) on ordinary</u>		
8,838	<u>activities after taxation</u>		(22,420)
256,280	<u>Profit and loss account brought forward</u>		265,119
265,118	<u>Profit and loss account carried forward</u>		242,699

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE

YEAR ENDED 28th MAY 1998

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
<u>Cost</u>			
Brought forward	17147	21384	1481414
Additions	-	-	51350
Disposals	-	-	(60529)
	17147	21384	1472235
<u>Depreciation</u>			
Brought forward	16347	16555	1101560
Charge for year	200	867	99009
(On disposals)	-	-	(58765)
	16547	17422	1141804
<u>Net Book Value 1998</u>	600	3962	330431
<u>Net Book Value 1997</u>	800	4829	379854

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets Continued

	Motor Vehicles	Total
Cost		
Brought forward	268533	1788478
Additions	6000	57350
Disposals	(10000)	(70529)
	<u>264533</u>	<u>1775299</u>
Depreciation		
Brought forward	204743	1339205
Charge for year	17067	117143
(On disposals)	(8469)	(67234)
	<u>213341</u>	<u>1389114</u>
Net Book Value 1998	51192	386185
Net Book Value 1997	63790	449273

Included in plant and machinery are assets acquired under finance agreements with a net book value at 28th May 1998 of £183936 on which depreciation of £54680 was charged during the year. Motor vehicles includes similarly financed assets with a net book value of £20679 on which depreciation of £6892 was charged.

	1998	1997
3. Stocks		
Work in progress	46969	32796
Sundry stocks	8000	11000
	<u>54969</u>	<u>43796</u>

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	1998	1997
4. Debtors		
Trade debtors	143428	107337
Other debtors	-	1602
Prepayments	8290	5475
	<u>151718</u>	<u>114414</u>

5. Investments : All Unquoted

i) West Cumberland Farmers Trading Society Limited	341	340
ii) Farmway Limited	3782	3569
	<u>4123</u>	<u>3909</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	65163	29085
Taxation and social security costs	30713	74925
Accruals	7396	8030
Other creditors	9482	9482
Hire/lease purchase creditors	67281	81363
Directors current accounts	5835	3853
Bank overdraft	71599	8184
Corporation tax	250	250
	<u>257719</u>	<u>215172</u>

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

7. Creditors Due After One Year

Hire/lease purchase creditors	<u>69614</u>	<u>97162</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>1998</u>	<u>1997</u>
8. Provision for Liabilities		
<u>Deferred Taxation</u>		
Brought forward	23940	26039
Transfer for current year	(6977)	(3255)
Rate change adjustment	-	1156
	<u>16963</u>	<u>23940</u>
9. Called Up Share Capital		
<u>Authorised</u>		
9000 A Ordinary shares of £1 each	9000	9000
1000 B Ordinary shares of £1 each	1000	1000
	<u>10000</u>	<u>10000</u>
<u>Allotted, Called Up and Fully Paid</u>		
A ordinary shares of £1 each	9000	9000
B ordinary shares of £1 each	1000	1000
	<u>10000</u>	<u>10000</u>
10. Operating Profit/(Loss) is Arrived		
<u>at After Charging/Crediting</u>		
Depreciation	117519	112430
Surplus on disposal of fixed assets	(10826)	(11981)
Auditors remuneration	3000	4000
Directors emoluments (below)	33880	32196
	<u> </u>	<u> </u>
Directors Emoluments :		
Fees and emoluments	27223	26004
Pension contributions	3013	3013
Social security costs	1775	1787
Estimated value of benefits	1869	1392
	<u>33880</u>	<u>32196</u>

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	1998	1997
11. Interest Received		
On short term bank deposits	285	1064
On other investments	23	190
	<u>308</u>	<u>1254</u>
12. Taxation		
Corporation tax :		
Current year at 24%/21%	-	250
Deferred taxation :		
Current year transfer	(6977)	(3255)
Rate change adjustment	-	1156
	<u>(6977)</u>	<u>(1849)</u>
13. Interest Payable		
On loans and overdrafts repayable within 5 years:		
On short term overdraft	2725	104
On hire/lease purchase loans	18270	12266
	<u>20995</u>	<u>12370</u>