

**Ellismoss Farms Limited**

**Annual report  
for the year ended 31 July 1995**

Company No: SC34342

55



# **Ellismoss Farms Limited**

## **Annual report for the year ended 31 July 1995**

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# **Ellismoss Farms Limited**

## **Directors and advisers**

### **Directors**

W J Argo  
Mrs E J Argo  
Mrs J Henderson  
Mrs S Archibald  
D W Argo  
Mrs C Armstrong

### **Secretary**

Adam Cochran & Co  
6 Bon Accord Square  
Aberdeen

### **Registered auditors**

Messrs Reeves & Neylan  
Chartered Accountants  
Westby  
64 West High Street  
Forfar  
Angus

### **Bankers**

Clydesdale Bank PLC  
18 Ann Street  
Stonehaven  
Kincardineshire

### **Registered office**

Harvieston  
Stonehaven  
Kincardineshire

# Ellismoss Farms Limited

## Directors' report for the year ended 31 July 1995

The directors present their annual report and the audited accounts of the company for the year ended 31 July 1995.

### Principal activities

The principal activity of the company is farming. The company also continues as a partner in the farming partnership of the Firm of W J Argo.

### Results and dividends

The trading loss for the year, after taxation, amounted to **£28,588** (1994-£48,193).

The directors do not recommend the payment of a dividend.

### Fixed assets

Details of changes in tangible fixed assets are contained in note 8 to the accounts.

### Directors and their interests

The directors who held office during the year, together with their interests in the shares of the company at the beginning and end of the year, were as follows:-

|                                   | 1995<br>£ | 1994<br>£ |
|-----------------------------------|-----------|-----------|
| <b>Ordinary shares of £1 each</b> |           |           |
| W J Argo                          | -         | -         |
| Mrs E J Argo                      | -         | -         |
| Mrs J Henderson                   | 16        | 16        |
| Mrs S Archibald                   | 16        | 16        |
| D W Argo                          | 52        | 52        |
| Mrs C Armstrong                   | 16        | 16        |

**Ellismoss Farms Limited****Directors' report  
for the year ended 31 July 1995****Directors' responsibilities**

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

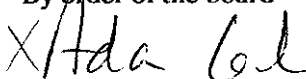
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the 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.

**Auditors**

In accordance with Section 384(1) Companies Act 1985, Messrs Reeves & Neylan retire from office. A resolution to re-appoint them for the following year will be put to the members at the annual general meeting.

By order of the board



**Adam Cochran**

Company Secretaries

27 May 1996

## **Ellismoss Farms Limited**

### **Report of the auditors to the shareholders**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of directors and auditors**

As described on page 3 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.

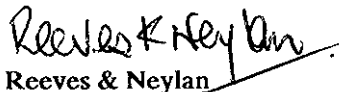
#### **Basis of opinion**

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 31 July 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



**Reeves & Neylan**

**Chartered Accountants and Registered Auditors**

Inverurie

28 May 1996

**Ellismoss Farms Limited**

**Profit and loss account  
for the year ended 31 July 1995**

|                                        | Note | 1995<br>£             | 1994<br>£             |
|----------------------------------------|------|-----------------------|-----------------------|
| Turnover                               | 2    | 1,487,657             | 1,318,587             |
| Cost of sales                          |      | <u>1,094,753</u>      | <u>980,890</u>        |
| Gross profit                           |      | 392,904               | 337,697               |
| Other direct costs                     |      | <u>54,641</u>         | <u>74,514</u>         |
|                                        |      | 338,263               | 263,183               |
| Administration expenses                |      | <u>342,533</u>        | <u>299,537</u>        |
|                                        |      | (4,270)               | (36,354)              |
| Other operating income                 |      | <u>987</u>            | <u>1,082</u>          |
| Operating loss                         | 3    | (3,283)               | (35,272)              |
| Interest payable                       | 4    | <u>32,674</u>         | <u>24,806</u>         |
| Loss on ordinary activities before tax |      | (35,957)              | (60,078)              |
| Tax on loss on ordinary activities     | 7    | <u>(7,369)</u>        | <u>(11,885)</u>       |
| Loss on ordinary activities after tax  |      | (28,588)              | (48,193)              |
| Retained profits brought forward       |      | <u>355,090</u>        | <u>403,282</u>        |
| Retained profits carried forward       |      | <u><u>326,502</u></u> | <u><u>355,089</u></u> |

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 11 form part of the financial statements.

## Ellismoss Farms Limited

Balance sheet  
at 31 July 1995

|                                                                 | Note | 1995<br>£      | £              | 1994<br>£      | £              |
|-----------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| <b>Fixed assets</b>                                             |      |                |                |                |                |
| Tangible assets                                                 | 8    |                | 374,112        |                | 446,305        |
| Investments                                                     | 9    |                | 15,431         |                | 12,469         |
|                                                                 |      |                | <u>389,543</u> |                | <u>458,774</u> |
| <b>Current assets</b>                                           |      |                |                |                |                |
| Stocks                                                          | 10   | 382,896        |                | 402,223        |                |
| Debtors                                                         | 11   | 177,169        |                | 175,434        |                |
| Cash in hand                                                    |      | 24             |                | 87             |                |
|                                                                 |      | <u>560,089</u> |                | <u>577,744</u> |                |
| <b>Creditors: amounts falling due within one year</b>           | 12   | <u>421,580</u> |                | <u>472,090</u> |                |
| Net current assets                                              |      |                | <u>138,509</u> |                | <u>105,654</u> |
| Total assets less current liabilities                           |      |                | <u>528,052</u> |                | <u>564,428</u> |
| <b>Creditors : amounts falling due after more than one year</b> | 13   |                | <u>200,000</u> |                | <u>205,639</u> |
|                                                                 |      |                | <u>328,052</u> |                | <u>358,789</u> |
| <b>Provision for liabilities and charges</b>                    |      |                |                |                |                |
| Deferred taxation                                               | 14   |                | <u>1,450</u>   |                | <u>3,600</u>   |
|                                                                 |      |                | <u>326,602</u> |                | <u>355,189</u> |
| <b>Capital and reserves</b>                                     |      |                |                |                |                |
| Called up share capital                                         | 15   |                | 100            |                | 100            |
| Profit and loss account                                         | 16   |                | <u>326,502</u> |                | <u>355,089</u> |
|                                                                 |      |                | <u>326,602</u> |                | <u>355,189</u> |

In preparing these financial statements, the company has taken advantage of the exemptions available to small companies, under section 247 of the Companies Act 1985.

The financial statements were approved by the board of directors on 27 May 1996 and signed on their behalf by:-

W J Argo  
Director



The notes on pages 7 to 11 form part of the financial statements.

## **Ellismoss Farms Limited**

### **Notes to the financial statements for the year ended 31 July 1995**

#### **1 Accounting policies**

##### **a) Accounting convention**

The accounts have been prepared under the historical cost convention.

##### **b) Depreciation**

Depreciation has been calculated on cost at rates estimated to write off the tangible fixed assets, by equal instalments, over their expected working lives as follows:-

|                         |               |
|-------------------------|---------------|
| Tenants improvements    | over 10 years |
| Machinery and equipment | over 8 years  |
| Motor vehicles          | over 5 years  |

No depreciation has been provided on heritable land and buildings.

##### **c) Stocks**

Stocks have been valued at the lower of cost and net realisable value.

##### **d) Deferred tax**

Deferred tax is provided, using the liability method for corporation tax deferred due to material timing differences, other than timing differences which can be demonstrated with reasonable probability to continue for the foreseeable future.

##### **e) Cashflow statement**

The company is exempt from the requirement to produce a cashflow statement under the terms FRS 1.

#### **2 Turnover**

Turnover arises wholly within the UK from the company's sole activity.

# Ellismoss Farms Limited

## Notes to the financial statements for the year ended 31 July 1995

### 3 Operating profit is arrived at after charging:-

|                                             | 1995              | 1994              |
|---------------------------------------------|-------------------|-------------------|
|                                             | £                 | £                 |
| Depreciation of tangible fixed assets       | 18,553            | 22,573            |
| Profit on disposal of tangible fixed assets | -                 | (2,665)           |
| Share of (profit)/loss from Firm of WJ Argo | (10,840)          | 7,979             |
| Auditors' remuneration                      | 2,000             | 4,500             |
| Directors' remuneration                     | 16,549            | 17,878            |
|                                             | <u>          </u> | <u>          </u> |

### 4 Interest payable

|                          | 1995              | 1994              |
|--------------------------|-------------------|-------------------|
|                          | £                 | £                 |
| Bank interest            | 21,855            | 13,478            |
| Loan interest            | 10,000            | 10,000            |
| Hire purchase interest   | 819               | 1,186             |
| Corporation tax interest | -                 | 142               |
|                          | <u>          </u> | <u>          </u> |
|                          | 32,674            | 24,806            |
|                          | <u>          </u> | <u>          </u> |

### 5 Staff costs

The average number of persons employed by the company during the year was:-

|              | 1995              | 1994              |
|--------------|-------------------|-------------------|
| Management   | 8                 | 8                 |
| Farm workers | 18                | 19                |
|              | <u>          </u> | <u>          </u> |
|              | 26                | 27                |
|              | <u>          </u> | <u>          </u> |

|                       | 1995              | 1994              |
|-----------------------|-------------------|-------------------|
|                       | £                 | £                 |
| Wages                 | 246,291           | 230,946           |
| Social security costs | 21,231            | 19,626            |
|                       | <u>          </u> | <u>          </u> |
|                       | 267,522           | 250,572           |
|                       | <u>          </u> | <u>          </u> |

### 6 Directors' emoluments

|                         | 1995              | 1994              |
|-------------------------|-------------------|-------------------|
|                         | £                 | £                 |
| Directors' remuneration | 16,549            | 17,878            |
|                         | <u>          </u> | <u>          </u> |

### 7 Tax on profit on ordinary activities

|                                | 1995              | 1994              |
|--------------------------------|-------------------|-------------------|
|                                | £                 | £                 |
| Corporation tax recoverable    | (5,248)           | (11,757)          |
| Corporation tax supplement     | (332)             | -                 |
| (Under)/over provision in year | 361               | (228)             |
| Provision for deferred tax     | (2,150)           | 100               |
|                                | <u>          </u> | <u>          </u> |
|                                | (7,369)           | (11,885)          |
|                                | <u>          </u> | <u>          </u> |

# Ellismoss Farms Limited

## Notes to the financial statements for the year ended 31 July 1995

### 8 Tangible fixed assets

|                           | Total<br>£     | Heritable land<br>and buildings<br>£ | Tenants<br>improvements<br>£ | Plant and<br>equipment<br>£ | Motor<br>vehicles<br>£ |
|---------------------------|----------------|--------------------------------------|------------------------------|-----------------------------|------------------------|
| <b>Cost</b>               |                |                                      |                              |                             |                        |
| At 01/08/94               | 625,687        | 375,421                              | 47,525                       | 188,600                     | 14,141                 |
| Additions                 | (53,640)       | (60,000)                             | 6,089                        | 271                         | -                      |
| <b>At 31/07/95</b>        | <b>572,047</b> | <b>315,421</b>                       | <b>53,614</b>                | <b>188,871</b>              | <b>14,141</b>          |
| <b>Depreciation</b>       |                |                                      |                              |                             |                        |
| At 01/08/94               | 179,382        | -                                    | 44,608                       | 129,046                     | 5,728                  |
| Charge for year           | 18,553         | -                                    | 1,669                        | 14,056                      | 2,828                  |
| <b>At 31/07/95</b>        | <b>197,935</b> | <b>-</b>                             | <b>46,277</b>                | <b>143,102</b>              | <b>8,556</b>           |
| <b>Written down value</b> |                |                                      |                              |                             |                        |
| <b>At 31/07/95</b>        | <b>374,112</b> | <b>315,421</b>                       | <b>7,337</b>                 | <b>45,769</b>               | <b>5,585</b>           |
| At 01/08/94               | 446,305        | 375,421                              | 2,917                        | 59,554                      | 8,413                  |

### 9 Investments

|                                                      | 1995<br>£     | 1994<br>£     |
|------------------------------------------------------|---------------|---------------|
| Grampian Pig Producers Ltd                           | 100           | 100           |
| Buchan Meat Producers Ltd                            | 60            | 60            |
| Aberdeen Northern Marts Ltd                          | 10            | 10            |
| North Eastern Farmers Ltd                            | 10            | 10            |
| Grampian Pig Producers Ltd - payment protection loan | 15,251        | 12,289        |
|                                                      | <b>15,431</b> | <b>12,469</b> |

### 10 Stocks

|       | 1995<br>£      | 1994<br>£      |
|-------|----------------|----------------|
| Pigs  | 355,416        | 379,240        |
| Feed  | 25,530         | 21,078         |
| Grass | 1,950          | 1,905          |
|       | <b>382,896</b> | <b>402,223</b> |

# Ellismoss Farms Limited

## Notes to the financial statements for the year ended 31 July 1995

### 11 Debtors

|                                            | 1995<br>£      | 1994<br>£      |
|--------------------------------------------|----------------|----------------|
| <b>Amounts falling due within one year</b> |                |                |
| Trade debtors                              | 58,270         | 85,863         |
| Other debtors                              | 88,055         | 70,800         |
| Prepayments                                | 14,155         | 7,014          |
| Corporation tax recoverable                | 16,689         | 11,757         |
|                                            | <u>177,169</u> | <u>175,434</u> |

### 12 Creditors: amounts falling due within one year

|                            | 1995<br>£      | 1994<br>£      |
|----------------------------|----------------|----------------|
| Bank overdraft (see below) | 252,743        | 291,563        |
| Corporation tax            | -              | 5,799          |
| Hire purchase creditors    | 5,636          | 5,241          |
| Trade creditors            | 131,495        | 134,083        |
| Firm of WJ Argo            | -              | 7,979          |
| Accruals                   | 31,706         | 27,425         |
|                            | <u>421,580</u> | <u>472,090</u> |

The bank overdraft is secured by a floating charge over the company's assets and a standard security over Ellismoss Farm, Woodburn Cottages and Heathland Farm.

### 13 Creditors: amounts falling due after more than one year

|                                     | 1995<br>£      | 1994<br>£      |
|-------------------------------------|----------------|----------------|
| Hire purchase creditors             | -              | 5,639          |
| Directors' loan account (see below) | 200,000        | 200,000        |
|                                     | <u>200,000</u> | <u>205,639</u> |

The directors' loan is for a period of 10 years and bears interest at 5% on the balance outstanding. There are no fixed terms for the repayment of capital during the 10 years. The loans are secured over Ellismoss and Heathland Farms, the security ranking after the security to the Clydesdale Bank.

# Ellismoss Farms Limited

## Notes to the financial statements for the year ended 31 July 1995

### 14 Deferred taxation

Deferred tax provided in the financial statements and the amounts unprovided of the total potential liability, are as follows:-

|                                               | Amount<br>provided | 1995<br>Full Potential<br>liability | Amount<br>provided | 1994<br>Full potential<br>liability |
|-----------------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|
| Excess of tax allowances<br>over depreciation | <u>1,450</u>       | <u>1,435</u>                        | <u>3,600</u>       | <u>3,628</u>                        |

### 15 Called up share capital

|                                          | 1995<br>£  | 1994<br>£  |
|------------------------------------------|------------|------------|
| <b>Authorised</b>                        |            |            |
| Ordinary shares of £1 each               | <u>100</u> | <u>100</u> |
| <b>Allotted called up and fully paid</b> |            |            |
| Ordinary shares of £1 each               | <u>100</u> | <u>100</u> |

### 16 Profit and loss account

|                   | 1995<br>£       | 1994<br>£       |
|-------------------|-----------------|-----------------|
| At 1 August 1994  | 355,090         | 403,282         |
| Loss for the year | <u>(28,588)</u> | <u>(48,193)</u> |
| At 31 July 1995   | <u>326,502</u>  | <u>355,089</u>  |

### 17 Reconciliation of movements in shareholders' funds

|                             | 1995<br>£      | 1994<br>£      |
|-----------------------------|----------------|----------------|
| Loss for the financial year | (28,588)       | (48,193)       |
| Opening shareholders' funds | <u>355,190</u> | <u>403,382</u> |
| Closing shareholders' funds | <u>326,602</u> | <u>355,189</u> |

### 18 Approval of accounts

The accounts were approved by the directors on

## Ellismoss Farms Limited

Detailed trading and profit and loss account  
for the year ended 31 July 1995

|                                                | Schedule | 1995<br>£ | £               | 1994<br>£ | £               |
|------------------------------------------------|----------|-----------|-----------------|-----------|-----------------|
| Gross margin on livestock                      | 1        |           | 392,904         |           | 337,697         |
| Other income                                   | 2        |           | 987             |           | 1,082           |
|                                                |          |           | <u>393,891</u>  |           | <u>338,779</u>  |
| Wages                                          |          | 267,522   |                 | 250,572   |                 |
| Overhead expenses                              | 3        | 154,613   |                 | 120,398   |                 |
| Share of (profit)/loss from<br>Firm of WJ Argo |          | (10,840)  |                 | 7,979     |                 |
| Depreciation                                   |          | 18,553    |                 | 22,573    |                 |
| Profit on disposal of<br>tangible fixed assets |          | -         |                 | (2,665)   |                 |
|                                                |          |           | <u>429,848</u>  |           | <u>398,857</u>  |
| Net loss for the year                          |          |           | <u>(35,957)</u> |           | <u>(60,078)</u> |

## Ellismoss Farms Limited

Schedules to the detailed trading and profit and loss account  
for the year ended 31 July 1995

|                                  | 1995<br>£        | £                     | 1994<br>£        | £                     |
|----------------------------------|------------------|-----------------------|------------------|-----------------------|
| <b>1 Livestock account</b>       |                  |                       |                  |                       |
| <b>Sales</b>                     |                  |                       |                  |                       |
| Pigs                             |                  | 1,487,657             |                  | 1,318,587             |
| Opening valuation                | 381,145          |                       | 273,185          |                       |
| Feed                             | 817,674          |                       | 851,845          |                       |
| Veterinary and medicine          | 68,209           |                       | 56,422           |                       |
| Livestock haulage                | 62,556           |                       | 51,139           |                       |
| Sub-contract work                | 83,374           |                       | 90,613           |                       |
| Levies                           | 17,880           |                       | 20,245           |                       |
| Royalties                        | 7,800            |                       | 7,800            |                       |
| Sundry livestock expenses        | 13,481           |                       | 10,786           |                       |
|                                  | <u>1,452,119</u> |                       | <u>1,362,035</u> |                       |
| Closing valuation                | <u>357,366</u>   |                       | <u>381,145</u>   |                       |
|                                  |                  | <u>1,094,753</u>      |                  | <u>980,890</u>        |
| <b>Gross margin on livestock</b> |                  | <u><u>392,904</u></u> |                  | <u><u>337,697</u></u> |
| <b>2 Other income</b>            |                  |                       |                  |                       |
|                                  |                  | 1995<br>£             |                  | 1994<br>£             |
| Rent received                    |                  | 850                   |                  | 850                   |
| Wayleaves                        |                  | 101                   |                  | 76                    |
| Trade dividends                  |                  | 8                     |                  | 22                    |
| Sundry income                    |                  | 28                    |                  | 134                   |
|                                  |                  | <u>987</u>            |                  | <u>1,082</u>          |

# Ellismoss Farms Limited

## Schedules to the detailed trading and profit and loss account for the year ended 31 July 1995

### 3 Overhead expenses

|                                     | 1995<br>£      | 1994<br>£      |
|-------------------------------------|----------------|----------------|
| Rent, rates and water               | 9,559          | 8,368          |
| Insurances                          | 20,577         | 17,475         |
| Heat and light                      | 31,367         | (12,880)       |
| Motor and tractor expenses          | 9,403          | 6,298          |
| Plant and equipment expenses        | 19,311         | 29,722         |
| Property repairs                    | 16,368         | 30,126         |
| Telephone                           | 1,749          | 1,840          |
| Postage, stationery and advertising | 5,587          | 5,730          |
| Bank interest and charges           | 23,520         | 15,604         |
| Loan interest                       | 10,000         | 10,000         |
| Hire purchase interest              | 819            | 1,186          |
| Corporation tax interest            | -              | 142            |
| Subscriptions                       | 353            | 104            |
| Travel                              | 395            | -              |
| Accountancy and Audit               | 5,200          | 4,500          |
| Legal and professional fees         | -              | 2,177          |
| Sundry expenses                     | 405            | 6              |
|                                     | <u>154,613</u> | <u>120,398</u> |