

SC34802

Drumchapel Estate Company

**Directors' report and accounts
for the year ended 30 November 2002**



Drumchapel Estate Company

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Drumchapel Estate Company

Company information

Directors

Mrs DG Alston
Mr AW Alston
Mr DR Alston
Mrs H Duthie

Secretary

Mrs DG Alston

Registered office

Chapelton of Menmuir
Breachin
Angus
DD9 7QN

Auditors

Henderson Loggie
Chartered Accountants
Registered Auditors
Royal Exchange
Dundee
DD1 1DZ

Bankers

The Royal Bank of Scotland plc
101 High Street
Montrose
Angus
DD10 8QT

Registered number

34802

Drumchapel Estate Company

Directors' report

The directors present their annual report and accounts for the year ended 30 November 2002. The company is an unlimited company having a share capital.

Principal activity

The principal activity of the company is that of farming.

Business review

The directors do not feel it is appropriate to comment on the current year's results because of the volatile nature of farming.

The results of the year are set out in the profit and loss account.

The directors do not recommend payment of a dividend.

Significant changes in fixed assets

Information relating to changes in tangible fixed assets is given in notes 6 and 7 to the accounts.

Directors and directors' interests

The directors of the company at the date of this report and throughout the year are as shown on page 1.

The beneficial interests of the directors in the share capital of the company at the beginning of the financial year, or date of appointment, and end of the financial year were as follows:-

	At 30 November 2002	At 30 November 2001
Mrs DG Alston	5,000	5,000
Mr AW Alston	7,500	7,500
Mr DR Alston	-	-
Mrs H Duthie	2,500	2,500

The director retiring by rotation is Mr AW Alston who, being eligible, offers himself for re-election.

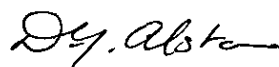
Drumchapel Estate Company

Directors' report (continued)

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Henderson Loggie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Mrs D G Alston
Secretary
Breachin

19 May 2003

Drumchapel Estate Company

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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Drumchapel Estate Company

Independent auditors' report to the shareholders of Drumchapel Estate Company

We have audited the accounts of Drumchapel Estate Company for the year ended 30 November 2002 which comprise the profit and loss account, the balance sheet and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Going concern

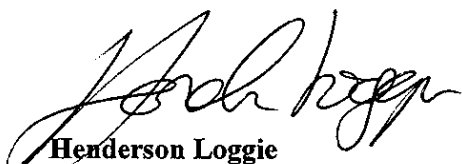
In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the accounts concerning the company's bank and other creditors continuing to provide the necessary finance for the company to continue to trade. The accounts have been prepared on the going concern basis, the validity of which depends upon ongoing finance from the company's bank and other creditors being available. The accounts do not include any adjustments that would result from the company failing to obtain continuing support from its bank and other creditors. Our opinion is not qualified in this respect.

Drumchapel Estate Company

Independent auditors' report to the shareholders of Drumchapel Estate Company (continued)

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

19 May 2003

Drumchapel Estate Company

Profit and loss account for the year ended 30 November 2002

	Notes	2002 £	2001 £
Turnover		352,224	434,326
Cost of sales		(361,257)	(333,176)
Gross (loss)/profit		(9,033)	101,150
Administration expenses		(47,162)	(53,510)
Other operating income		17,948	27,305
Trading (loss)/profit		(38,247)	74,945
Write down in value of milk quota	8	27,487	-
Interest payable	4	34,264	38,907
(Loss)/profit on ordinary activities before taxation	2-3	(99,998)	36,038
Taxation for the year	5	-	98
(Loss)/profit for the financial year	14	(99,998)	35,940

A statement of movements on reserves is given in note 14.

There are no recognised gains or losses other than the loss for the financial year of £99,998 (2001 - profit £35,940).

Drumchapel Estate Company

Balance sheet at 30 November 2002

	Notes	2002	2001
Fixed assets			
Tangible assets	6	262,134	254,923
Tangible assets - Herd	7	72,733	72,133
Intangible assets - Milk Quota	8	108,149	135,636
- Sheep Quota	8	1,876	1,876
		<u>444,892</u>	<u>464,568</u>
Current assets			
Stocks	9	195,004	172,675
Debtors	10	25,297	28,361
Trade investments (unlisted)		5,049	5,049
		<u>225,350</u>	<u>206,085</u>
Creditors			
Amounts falling due within one year	11	(711,232)	(608,645)
Net current liabilities		<u>(485,882)</u>	<u>(402,560)</u>
Total assets less current liabilities		<u>(40,990)</u>	<u>62,008</u>
Creditors			
Amounts falling due after more than one year	12	(13,000)	(16,000)
Net (liabilities)/assets		<u><u>(53,990)</u></u>	<u><u>46,008</u></u>
Capital and reserves			
Called up share capital	13	20,000	20,000
Other reserves	14	17,586	17,586
Profit and loss account	14	(91,576)	8,422
		<u><u>(53,990)</u></u>	<u><u>46,008</u></u>

These accounts were approved by the board of directors on 19 May 2003 and were signed on its behalf by:



Mrs DG Alston
Director

Drumchapel Estate Company

Notes to the accounts

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

These accounts have been prepared on the going concern basis which assumes that the company continues to trade. The validity of this assumption is dependent upon the continued support of the company's bank and other creditors. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company under sections 246 and 247 of the Companies Act 1985.

Finance leases

Assets acquired under hire purchase contracts are capitalised and included in tangible fixed assets at purchase price and are depreciated, respectively, over the life of the lease and its useful life on the basis stated below. The obligations relating to hire purchase contracts (net of finance charges allocated to future periods) are included as appropriate under creditors due within or after one year. The interest element of the hire purchase contracts is charged to the profit and loss account over the period of the hire and represents a constant proportion of the instalments repaid.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation of fixed tangible assets by equal instalments over their estimated useful economic lives, as follows:

Heritable, freehold property	-	2%
Tenants improvements	-	2% - 20%
Tractors, Implements, Plant etc	-	20%
Vehicles	-	25%

Drumchapel Estate Company

Notes to the accounts (continued)

1 Accounting policies (continued)

Stocks

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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

2 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Depreciation of fixed tangible assets	40,406	32,410
Directors' emoluments	11,444	15,651
Directors' compensation for loss of office	-	4,080
Auditors' remuneration	2,320	2,250
	<u> </u>	<u> </u>
after crediting:		
Gain on disposal of fixed assets	9,880	7,735
Gain on disposal of investments	-	934
	<u> </u>	<u> </u>

3 Staff numbers and costs

	Number	Number
Average number of employees (including directors)	7	9
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	79,312	86,692
Social security costs	6,299	6,004
	<u> </u>	<u> </u>
	85,611	92,696
	<u> </u>	<u> </u>

Drumchapel Estate Company

Notes to the accounts (continued)

4	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts wholly repayable within five years	27,776	34,857
	Interest on all other loans	6,488	4,050
		<u>34,264</u>	<u>38,907</u>
5	Taxation		
	UK corporation tax		
	Current year	-	98
		<u>-</u>	<u>98</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before tax	(99,998)	36,038
		<u>(99,998)</u>	<u>36,038</u>
	Effects of:		
	Tax thereon at 19% (2001 - 20%)	(19,000)	7,208
	Non allowable expenses	5,223	-
	Non taxable income	(97)	(40)
	Losses utilised in year	-	(5,179)
	Losses available to carry forward	15,559	-
	Capital allowances in excess of depreciation	(1,685)	(1,793)
	Marginal relief	-	(98)
		<u>-</u>	<u>98</u>

Drumchapel Estate Company

Notes to the accounts (continued)

6 Tangible fixed assets

	Freehold Heritable Property £	Tenants Improvements £	Tractors, Implements Plant, etc £	Vehicles £	Total £
Cost or valuation					
At 30 November 2001	102,620	184,480	345,884	35,306	668,290
Additions	-	7,053	78,065	-	85,118
Disposals	-	-	(63,500)	(2,600)	(66,100)
At 30 November 2002	102,620	191,533	360,449	32,706	687,308
Depreciation					
At 30 November 2001	410	111,710	275,295	25,952	413,367
Charge for year	205	5,909	29,615	4,677	40,406
On disposals	-	-	(26,000)	(2,599)	(28,599)
At 30 November 2002	615	117,619	278,910	28,030	425,174
Net book value					
At 30 November 2002	102,005	73,914	81,539	4,676	262,620
At 30 November 2001	102,210	72,770	70,589	9,354	254,923

The net amount of assets held under hire purchase at 30 November 2002 was £51,600 (2001 - £37,500). Depreciation charged in the year on these assets amounted to £12,900 (2001 - £Nil).

Drumchapel Estate Company

Notes to the accounts (continued)

7 Tangible assets - herd

	£
At 30 November 2001	72,133
Transferred from store cattle	600
At 30 November 2002	<u>72,733</u>

8 Intangible assets

	Milk Quota £	Sheep Quota £
At 30 November 2001	135,636	1,876
Less write down in year to show quota at market value	(27,487)	-
At 30 November 2002	<u>108,149</u>	<u>1,876</u>

9 Stocks

	2002 £	2001 £
Livestock	103,787	86,255
Crops	85,403	84,842
Miscellaneous	5,814	1,578
	<u>195,004</u>	<u>172,675</u>

10 Debtors

Trade debtors	15,761	17,026
Prepayments and accrued income	7,282	11,153
VAT	2,254	182
	<u>25,297</u>	<u>28,361</u>

Drumchapel Estate Company

Notes to the accounts (continued)

11	Creditors	2002	2001
		£	£
	Due within one year:		
	Bank overdraft (secured)	517,878	470,862
	Trade creditors	10,252	12,951
	Social security and other taxes	2,216	2,427
	Other creditors and accruals	167,886	114,307
	Hire purchase creditors (secured)	13,000	8,000
	Corporation tax	-	98
		<u>711,232</u>	<u>608,645</u>
	The bank borrowings are secured by a standard security over the heritable property of the company.		
12	Creditors	2002	2001
		£	£
	Due after more than one year:		
	Hire purchase creditors (secured)	<u>13,000</u>	<u>16,000</u>
13	Called up share capital		
	Authorised		
	Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
	Allotted, called up and fully paid		
	Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
14	Reserves	Other reserves	Profit and loss account
		£	£
	At 30 November 2001	17,586	8,422
	Loss for year	-	(99,998)
	At 30 November 2002	<u>17,586</u>	<u>(91,576)</u>