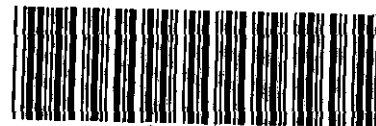


## **Bark Products (Scotland) Limited**

### **Report and Financial Statements**

30 June 2008

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COMPANIES HOUSE

**Bark Products (Scotland) Limited**

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Registered No: Sc092002

**Directors**

I A Bannerman  
R R Bannerman  
P D Williams  
B P Burns

**Secretary**

P D Williams

**Registered office**

The Burbage  
2 Knockbreck Road  
Tain  
Ross-shire  
IV19 1BW

## Directors' report

The directors present their report and financial statements for the year ended 30 June 2008.

### Results and dividends

The profit for the year, after taxation, amounted to £7,852 (2007 : £43,223). The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company during the year continued to be the preparation and sale of pulverised bark products. The directors consider the result for the year to be satisfactory and the business is expected to operate satisfactorily in the future.

### Directors and their interests

The directors at 30 June 2008 and their interests in the share capital of the company were as follows:

|                                   | <i>At 30 June 2008</i> | <i>At 1 July 2007</i>  |
|-----------------------------------|------------------------|------------------------|
|                                   | <i>Ordinary shares</i> | <i>Ordinary shares</i> |
| I A Bannerman                     | -                      | -                      |
| R R Bannerman                     | -                      | -                      |
| P D Williams                      | -                      | -                      |
| B P Burns (appointed 16 May 2008) | -                      | -                      |

By order of the board



P D Williams  
Secretary

22/4/09

## **Statement of directors' responsibilities in respect 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 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; 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.

## Profit and loss account

for the year ended 30 June 2008

|                                                              | Notes | 2008<br>£      | 2007<br>£      |
|--------------------------------------------------------------|-------|----------------|----------------|
| <b>Turnover</b>                                              | 2     | 893,502        | 714,645        |
| Change in stocks of finished goods                           |       | 34,607         | (4,333)        |
| Raw materials and consumables                                |       | 365,021        | 331,158        |
| Other external charges                                       |       | 359,471        | 200,838        |
| Staff costs                                                  | 4     | 109,194        | 132,122        |
| Depreciation                                                 | 3     | 19,904         | 19,903         |
|                                                              |       | <u>888,197</u> | <u>665,506</u> |
| <b>Operating profit</b>                                      | 3     | 5,305          | 28,745         |
| Bank interest receivable                                     | 5     | 4,309          | 2,755          |
|                                                              |       | <u>9,614</u>   | <u>53,824</u>  |
| <b>Profit on ordinary activities before taxation</b>         |       | 9,614          | 53,824         |
| Tax on profit on ordinary activities                         | 6     | 1,762          | 4,206          |
|                                                              |       | <u>7,852</u>   | <u>43,223</u>  |
| <b>Profit for the financial year transferred to reserves</b> |       | <u>7,852</u>   | <u>43,223</u>  |

## Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £7,852 attributable to the shareholders for the year ended 30 June 2008 (2007: £43,223).

## Balance sheet

at 30 June 2008

|                                                                | Notes | 2008<br>£ | 2007<br>£ |
|----------------------------------------------------------------|-------|-----------|-----------|
| <b>Fixed assets</b>                                            |       |           |           |
| Tangible assets                                                | 7     | 106,603   | 126,507   |
| <b>Current assets</b>                                          |       |           |           |
| Stocks                                                         | 8     | 140,606   | 221,865   |
| Debtors                                                        | 9     | 409,398   | 342,204   |
| Cash at bank                                                   |       | 55,177    | 51,603    |
|                                                                |       | 605,181   | 615,672   |
| <b>Creditors: amounts falling due within one year</b>          | 10    | 193,473   | (382,278) |
| <b>Net current assets</b>                                      |       | 411,708   | 383,952   |
| <b>Total assets less current liabilities</b>                   |       | 518,311   | 510,459   |
| <b>Creditors: amounts falling due after more than one year</b> | 11    | 83,500    | 83,500    |
| <b>Provisions for liabilities and charges</b>                  | 12    | -         | -         |
|                                                                |       | 434,811   | 426,959   |
| <b>Capital and reserves</b>                                    |       |           |           |
| Called up share capital                                        | 14    | 5,000     | 5,000     |
| Profit and loss account                                        | 15    | 429,811   | 421,959   |
| <b>Equity shareholders' funds</b>                              | 15    | 434,811   | 426,959   |

For the year ended 30 June 2008 the company was entitled to exemption from audit under Section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985.

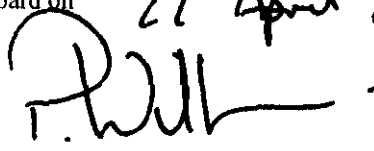
The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221, and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the board on

22 April 2009



I A Bannerman  
Director



P D Williams  
Director

## Notes to the financial statements

at 30 June 2008

### 1. Accounting policies

#### **Basis of preparation basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

#### **Cash flow statement**

The company has taken advantage of the concession in FRS 1 "Cash Flow Statements" which exempts a company from the requirement to prepare a statement of cash flows on the grounds that the company is small as defined in companies legislation.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

|                   |                           |
|-------------------|---------------------------|
| Freehold property | - 2% - 20% straight line  |
| Plant & machinery | - 10% - 20% straight line |
| Motor vehicles    | - 30% reducing balance    |
| Office equipment  | - 20% - 33% straight line |

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Cost comprises the direct cost of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

#### **Deferred taxation**

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Notes to the financial statements

at 30 June 2008

### 1. Accounting policies (continued)

#### *Pension costs*

Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2. Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

An analysis of turnover by geographical market is given below:

|                | 2008<br>£      | 2007<br>£      |
|----------------|----------------|----------------|
| United Kingdom | <u>714,645</u> | <u>714,645</u> |

### 3. Operating profit

This is stated after charging:

|                                         | 2008<br>£     | 2007<br>£     |
|-----------------------------------------|---------------|---------------|
| Auditors' remuneration - audit services | -             | 4,500         |
| - non-audit services                    | <u>1,075</u>  | <u>1,030</u>  |
| Directors' emoluments                   | <u>-</u>      | <u>-</u>      |
| Depreciation of owned fixed assets      | <u>19,904</u> | <u>19,903</u> |

### 4. Staff costs

|                       | 2008<br>£      | 2007<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 95,219         | 103,069        |
| Social security costs | 7,622          | 8,333          |
| Other pension costs   | <u>6,353</u>   | <u>6,537</u>   |
|                       | <u>109,194</u> | <u>117,939</u> |

The monthly average number of employees during the year was as follows:

|                      | 2008<br>No. | 2007<br>No. |
|----------------------|-------------|-------------|
| Production staff     | 5           | 5           |
| Administrative staff | <u>1</u>    | <u>1</u>    |
|                      | <u>6</u>    | <u>6</u>    |

## Notes to the financial statements

at 30 June 2008

### 5. Interest receivable

|                          | 2008         | 2007         |
|--------------------------|--------------|--------------|
|                          | £            | £            |
| Bank interest receivable | <u>4,309</u> | <u>4,685</u> |

### 6. Taxation on ordinary activities

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

|                                                    | 2008           | 2007           |
|----------------------------------------------------|----------------|----------------|
|                                                    | £              | £              |
| <i>Current tax:</i>                                |                |                |
| UK corporation tax                                 | 4,428          | 12,288         |
| Adjustments in respect of previous periods         | -              | (197)          |
| Total current tax (note 6(b))                      | <u>4,428</u>   | <u>12,091</u>  |
| <i>Deferred tax:</i>                               |                |                |
| Origination and reversal of timing differences     | (2,668)        | (1,744)        |
| Effect of changes in tax rate on opening liability | 2              | 77             |
| Adjustments in respect of previous periods         | -              | 177            |
| Deferred tax (credit)/charge (note 12)             | <u>(2,666)</u> | <u>(1,490)</u> |
| Tax on profit ordinary activities                  | <u>1,762</u>   | <u>10,601</u>  |

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 21% (2007 – 20%).

The differences are reconciled below:

|                                                                                                      | 2008         | 2007          |
|------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                      | £            | £             |
| Profit on ordinary activities before tax                                                             | <u>9,614</u> | <u>53,824</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax of 21% (2007 - 20%) | 2,019        | 10,765        |
| Expenses not deductible for tax purposes                                                             | -            | 259           |
| Capital allowances for the period in excess of depreciation                                          | 2,670        | 1,744         |
| Other short term timing differences                                                                  | (97)         | -             |
| Adjustments in respect of changes to the rate of corporation tax                                     | (164)        | (480)         |
| Adjustments in respect of previous periods                                                           | -            | (197)         |
| Total current tax (note 6(a))                                                                        | <u>4,428</u> | <u>12,091</u> |

#### (c) Factors affecting future tax charges

The Finance Act 2008 achieved Royal Assent in July 2008. The lower rate of corporation tax has increased from 20% to 21% as of 1 April 2008 and it is currently expected this will increase to 22% in subsequent periods.

## Notes to the financial statements

at 30 June 2008

### 6. Taxation on ordinary activities (continued)

#### (d) Deferred tax

|                                               | 2008<br>£    | 2007<br>£  |
|-----------------------------------------------|--------------|------------|
| Capital allowances in advance of depreciation | 2,664        | (85)       |
| Other timing differences                      | 210          | 293        |
| Provision for deferred taxation (note 12)     | <u>2,874</u> | <u>208</u> |

### 7. Tangible fixed assets

|                          | <i>Freehold<br/>Property</i><br>£ | <i>Plant &amp;<br/>Machinery</i><br>£ | <i>Motor<br/>Vehicles</i><br>£ | <i>Office<br/>equipment</i><br>£ | <i>Total</i><br>£ |
|--------------------------|-----------------------------------|---------------------------------------|--------------------------------|----------------------------------|-------------------|
| Cost:                    |                                   |                                       |                                |                                  |                   |
| At 1 July 2007           | 127,733                           | 549,295                               | 18,495                         | 4,451                            | 699,974           |
| Additions                | -                                 | -                                     | -                              | -                                | -                 |
| At 30 June 2008          | <u>127,733</u>                    | <u>549,295</u>                        | <u>18,495</u>                  | <u>4,451</u>                     | <u>699,974</u>    |
| Depreciation:            |                                   |                                       |                                |                                  |                   |
| At 1 July 2007           | 28,415                            | 522,106                               | 18,495                         | 4,451                            | 573,467           |
| Provided during the year | 1,502                             | 18,402                                | -                              | -                                | 19,904            |
| At 30 June 2008          | <u>29,917</u>                     | <u>540,508</u>                        | <u>18,495</u>                  | <u>4,451</u>                     | <u>593,371</u>    |
| Net book value:          |                                   |                                       |                                |                                  |                   |
| At 30 June 2008          | <u>97,816</u>                     | <u>8,787</u>                          | <u>-</u>                       | <u>-</u>                         | <u>106,603</u>    |
| At 1 July 2007           | <u>99,318</u>                     | <u>27,189</u>                         | <u>-</u>                       | <u>-</u>                         | <u>126,507</u>    |

### 8. Stocks

|                | 2008<br>£      | 2007<br>£      |
|----------------|----------------|----------------|
| Raw materials  | 12,449         | 59,101         |
| Finished goods | 128,157        | 162,764        |
|                | <u>140,606</u> | <u>221,865</u> |

### 9. Debtors

|                                    | 2008<br>£      | 2007<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 78,955         | 95,272         |
| Amounts owed by group undertakings | 322,963        | 241,615        |
| Other debtors                      | 2,936          | 2,974          |
| Prepayments and accrued income     | 1,670          | 2,135          |
| Deferred tax asset                 | 2,874          | 208            |
|                                    | <u>409,398</u> | <u>342,204</u> |

## Notes to the financial statements

at 30 June 2008

### 10. Creditors: amounts falling due within one year

|                                    | 2008<br>£      | 2007<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 1,276          | 49,369         |
| Amounts owed to group undertakings | 136,012        | 112,830        |
| Taxation and social security       | 29,737         | 38,401         |
| Other creditors                    | 1,041          | 896            |
| Accruals and deferred income       | 25,407         | 30,224         |
|                                    | <u>193,473</u> | <u>231,720</u> |

### 11. Creditors: amounts falling due after more than one year

|                 | 2008<br>£     | 2007<br>£     |
|-----------------|---------------|---------------|
| Other creditors | <u>83,500</u> | <u>83,500</u> |

Other creditors represent shareholder advances which are interest free and have no fixed repayment terms.

### 12. Provisions for liabilities and charges

|                                                            | Deferred tax<br>£ |
|------------------------------------------------------------|-------------------|
| At 1 July 2007                                             | (208)             |
| Deferred tax charge in profit and loss account (note 6(a)) | (2,666)           |
| At 30 June 2008 (notes 6(c) and 9)                         | <u>(2,874)</u>    |

### 13. Related party transactions

|                                       | 2008<br>Sales to/<br>(purchases<br>from)<br>related<br>party<br>£ | 2008<br>Amounts<br>receivable<br>from/<br>(payable to)<br>related<br>party<br>£ | 2007<br>Sales to/<br>(purchases<br>from)<br>related<br>party<br>£ | 2007<br>Amounts<br>receivable<br>from/<br>(payable to)<br>related<br>party<br>£ |
|---------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|
| William Sinclair Horticulture Limited |                                                                   |                                                                                 |                                                                   |                                                                                 |
| Sale of goods                         | 492,044                                                           | 269,492                                                                         | 359,738                                                           | 241,615                                                                         |
| Management charges                    | (15,000)                                                          | -                                                                               | (15,000)                                                          | -                                                                               |
| Bannerman Company Limited             |                                                                   |                                                                                 |                                                                   |                                                                                 |
| Sale of goods                         | 96,374                                                            | 53,470                                                                          | -                                                                 | -                                                                               |
| Provision of haulage services         | (360,080)                                                         | (76,626)                                                                        | (196,458)                                                         | (51,764)                                                                        |

William Sinclair Horticulture Limited and Bannerman Company Limited each own 50% of the ordinary shares of the company.

## Notes to the financial statements

at 30 June 2008

### 14. Share capital

|                            | <i>2008</i> |  | <i>Authorised<br/>2007</i> |  |
|----------------------------|-------------|--|----------------------------|--|
|                            | <i>£</i>    |  | <i>£</i>                   |  |
| Ordinary shares of £1 each | 5,000       |  | 5,000                      |  |

|                            | <i>Allotted, called up and fully paid<br/>2008</i> |          | <i>2007</i> |          |
|----------------------------|----------------------------------------------------|----------|-------------|----------|
|                            | <i>No.</i>                                         | <i>£</i> | <i>No.</i>  | <i>£</i> |
| Ordinary shares of £1 each | 5,000                                              | 5,000    | 5,000       | 5,000    |

### 15. Reconciliation of shareholders' funds and movement on reserves

|                     | <i>Share capital</i> | <i>Profit and loss<br/>account</i> | <i>Total share-<br/>holders' funds</i> |
|---------------------|----------------------|------------------------------------|----------------------------------------|
|                     | <i>£</i>             | <i>£</i>                           | <i>£</i>                               |
| At 1 July 2006      | 5,000                | 378,736                            | 383,736                                |
| Profit for the year | -                    | 43,223                             | 43,223                                 |
| At 30 June 2007     | 5,000                | 421,959                            | 426,959                                |
| Profit for the year | -                    | 7,852                              | 7,852                                  |
| At 30 June 2008     | 5,000                | 429,811                            | 434,811                                |

### 16. Pension commitments

One of the company's employees is a member of the William Sinclair Pension Plan, which is a fully funded defined benefit scheme. The scheme is funded by the payment of contributions to a separately administered trust fund. The pension costs are determined with the advice of independent qualified actuaries. Details of the most recent actuarial valuation are given in the financial statements of William Sinclair Holdings plc.

The company has been unable to identify its share of the underlying assets and liabilities of the group scheme on a consistent and reasonable basis and hence under the multi-employer scheme rules of FRS 17 - Retirement Benefits, has treated the scheme as a defined contribution scheme. The total pension costs for the year was £6,353 (2007 - £6,537).

No other employees are members of company pension schemes.