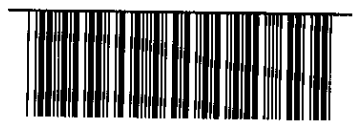
# GI & PP Produce Limited

## Annual report
## for the year ended 31 October 1998

**Registered no: SC164137**



# GI & PP Produce Limited

## Annual report
## for the year ended 31 October 1998


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# GI & PP Produce Limited

## Directors and advisers

### Directors

P Clarkson
A J Roy (resigned 15 October 2000)

### Secretary

P Clarkson

### Registered auditors

Reeves & Neylan
4 Atholl Crescent
Perth
PH1 5NG

### Solicitors

Thorp Parker
Martin House
High Street
Stokesley
TS9 5AD

### Bankers

National Westminster Bank plc
2 Bridge Road
Stokesley
Middlesbrough
TS9 5AA

The Royal Bank of Scotland plc
22 Albert Road
Middlesbrough
TS1 1PR

### Registered office

4 Atholl Crescent
Perth
PH1 5NG

# GI & PP Produce Limited

## Report of the directors for the year ended 31 October 1998

The directors present their report and the audited financial statements for the year ended 31 October 1998. These have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

**Results**
The loss for the year after taxation amounted to £69,574 (1997 - £58,651).

**Review of the business and future developments**
The company's principal activity during the year was that of potato and vegetable merchants. The vegetable trading is expected to cease in November 1999, but potato trading is expected to continue for the foreseeable future.

As part of their consideration of the potential impact of the year 2000 problem, the directors have instituted a review of both the internal and external risks to the company and its operations. The directors do not believe that the problem will significantly affect the ability of the company to continue its activities therefore an estimate of the total costs, relating to the review and any future expenditure, has not been made.

**Tangible fixed assets**
The movements in fixed assets are set out in note 5 to the financial statements.

**Directors and their interests**
The directors at 31 October 1998 had no interest in the shares of the company.

The interest of A J Roy in the shares of Gordon & Innes Limited are disclosed in the financial statements of that company. The interests of Mr and Mrs Clarkson in the shares of Finegrove Limited are disclosed in the financial statements of that company.

No director is required to retire by rotation in accordance with the Articles of Association.

**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
* 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.

## GI & PP Produce Limited

## Report of the directors for the year ended 31 October 1998

**Auditors**
A resolution to re-appoint the auditors, Reeves & Neylan, will be proposed at the annual general meeting.

**By order of the board**

P Clarkson

**P Clarkson**
**Director**
20 March 2001

## Report of the auditors to the shareholders of GI & PP Produce Limited

We have audited the financial statements on pages 5 to 10, 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 page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the 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.

**Adverse opinion**

In our opinion the financial statements should disclose the fact that the company is uncertain of meeting their borrowings included in the financial statements. In view of the effect of preparing for this in our opinion the financial statements do not give a true and fair view of the company's affairs as at 31 October 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Reeves & Neylan**
**Chartered Accountants and Registered Auditors**
Perth
21 March 2001

## GI & PP Produce Limited

## Profit and loss account
## for the year ended 31 October 1998

| | Note | 1998<br>£ | 1997<br>£ |
|---|---|---|---|
| **Turnover** | 1 | 1,378,336 | 1,005,167 |
| Cost of sales | | 1,369,328 | 1,006,322 |
| Gross profit/(loss) | | 9,008 | (1,155) |
| Administrative expenses | | 78,582 | 57,496 |
| **Loss for the financial year** | 2 | (69,574) | (58,651) |

All amounts relate to continuing activities.
All recognised gains and losses for the two years are included in the profit and loss account.

The accounting policies and notes on pages 7 to 10 form part of these financial statements.

## GI & PP Produce Limited

## Balance sheet
## at 31 October 1998

| | Note | 1998 £ | £ | 1997 £ | £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 5 | | 19,876 | | 25,882 |
| **Current assets** | | | | | |
| Stocks | 6 | 12,074 | | 6,506 | |
| Debtors | 7 | 135,905 | | 89,809 | |
| Cash at bank and in hand | | 8,280 | | 1,576 | |
| | | 156,259 | | 97,891 | |
| **Creditors: amounts falling due within one year** | 8 | 320,049 | | 198,113 | |
| **Net current liabilities** | | | (163,790) | | (100,222) |
| **Net liabilities** | | | (143,914) | | (74,340) |
| **Capital and reserves** | | | | | |
| Called up share capital | 9 | | 1,000 | | 1,000 |
| Profit and loss account | 10 | | (144,914) | | (75,340) |
| | | | (143,914) | | (74,340) |

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities, were approved by the board of directors on 20 March 2001 and signed on its behalf by:

P Clarkson.

**P Clarkson**
Director

The accounting policies and notes on pages 7 to 10 form part of these financial statements.

## GI & PP Produce Limited

## Principal accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

**Tangible fixed assets**

The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

| | % |
|---|---|
| Plant and machinery | 20 |
| Motor vehicles | 20 |
| Fixtures and fittings | 20 |
| Computer | 20 |

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Deferred taxation**

Provision is made for deferred tax, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

**Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

# GI & PP Produce Limited

## Notes to the financial statements for the year ended 31 October 1998

### 1 Turnover

Turnover consists entirely of sales made in the United Kingdom.

### 2 Operating loss

Operating loss is stated after charging/(crediting):

| | 1998 £ | 1997 £ |
|---|---|---|
| Depreciation of owned fixed assets | 4,965 | 4,874 |
| Auditors' remuneration | 3,000 | 3,000 |
| (Profit)/loss on disposal of fixed assets | (209) | 2,890 |

### 3 Directors' emoluments

| | 1998 £ | 1997 £ |
|---|---|---|
| Salaries | 28,600 | 28,600 |

### 4 Employee information

The average weekly number of persons (including directors) employed by the company during the year was:

| | 1998 Number | 1997 Number |
|---|---|---|
| **By activity:** | | |
| Drivers | 6 | 7 |
| Administration | 3 | 3 |
| | 9 | 10 |

**Staff costs (for the above persons)**

| | 1998 £ | 1997 £ |
|---|---|---|
| Wages and salaries | 127,736 | 133,105 |
| Social security costs | 12,901 | 14,789 |
| | 140,637 | 147,894 |

## Notes to the financial statements for the year ended 31 October 1998

### 5 Tangible fixed assets

| | Motor vehicles £ | Fixtures & fittings £ | Plant & equipment £ | Computer £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 November 1997 | 18,000 | 7,437 | 5,300 | 2,414 | 33,151 |
| Disposals | 1,500 | - | - | - | 1,500 |
| **At 31 October 1998** | **16,500** | **7,437** | **5,300** | **2,414** | **31,651** |
| **Depreciation** | | | | | |
| At 1 November 1997 | 3,618 | 1,507 | 1,469 | 675 | 7,269 |
| Charge for year | 2,668 | 1,183 | 766 | 348 | 4,965 |
| Adjustment re disposals | 459 | - | - | - | 459 |
| **At 31 October 1998** | **5,827** | **2,690** | **2,235** | **1,023** | **11,775** |
| **Written down value** | | | | | |
| **At 31 October 1998** | **10,673** | **4,747** | **3,065** | **1,391** | **19,876** |
| At 31 October 1997 | 14,382 | 5,930 | 3,831 | 1,739 | 25,882 |

### 6 Stocks

| | 1998 £ | 1997 £ |
|---|---|---|
| Produce | 12,074 | 6,506 |

### 7 Debtors: amounts falling due within one year

| | 1998 £ | 1997 £ |
|---|---|---|
| Trade debtors | 129,292 | 81,509 |
| Other debtors and prepayments | 5,613 | 7,300 |
| Unpaid share capital | 1,000 | 1,000 |
| | 135,905 | 89,809 |

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

| | 1998 £ | 1997 £ |
|---|---|---|
| Trade creditors | 226,739 | 122,946 |
| Bank overdraft | - | 1,835 |
| Other creditors and accruals | 59,918 | 36,540 |
| Other taxes and social security | 6,392 | 6,792 |
| Inter-company loan from Gordon & Innes Limited | 20,000 | 20,000 |
| Directors loan account | 7,000 | 10,000 |
| | 320,049 | 198,113 |

## Notes to the financial statements for the year ended 31 October 1998

### 9 Called up share capital

| | 1998 £ | 1997 £ |
|---|---|---|
| **Authorised** | | |
| Ordinary shares of £0.05 each | 10,000 | 10,000 |
| **Allotted, called up and unpaid** | | |
| Ordinary shares of £0.05 each | 1,000 | 1,000 |

### 10 Reserves

| | 1998 £ | 1997 £ |
|---|---|---|
| At 1 November 1997 | (75,340) | (16,689) |
| Loss for the year | (69,574) | (58,651) |
| **At 31 October 1998** | (144,914) | (75,340) |

### 11 Related party transactions

During the year, the company purchased potatoes from Gordon & Innes Limited, one of the company's shareholders. Total purchases during the year amounted to £120,474 and an amount of £25,004 was due to Gordon & Innes Limited at 31 October 1998. Gordon & Innes Limited had also advanced a loan of £20,000 to GI & PP Produce Limited, which remained outstanding at the year end (note 8).