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**Joseph Metcalf Limited**  
**Financial Statements**  
**for the year ended 31st August 2001**

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## **Joseph Metcalf Limited**

### **Company Information**

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<b>Director</b>	Mr B Metcalf
<b>Secretary</b>	Mr J D Metcalf
<b>Company number</b>	221152
<b>Registered office</b>	Brookside Lane Oswaldtwistle Accrington Lancashire BB5 3NY
<b>Auditors</b>	Lathams Blueprint Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

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# **Joseph Metcalf Limited**

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# Joseph Metcalf Limited

## Director's Report

for the year ended 31st August 2001

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The director presents his report and the audited financial statements for the company for the year ended 31st August 2001.

### Statement of director's responsibilities

Company law requires the director 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 for that year. In preparing those financial statements the director is 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 director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 group's principal activity during the year continues to be manufacturing and merchanting fertilisers, peat, growing media and pesticides.

### Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors plan to review the management policies with a view to improving the result achieved in the year.

The director does not recommend a final dividend.

### Director and his interests

The director who held office during the year and his interest in the company's issued share capital is given below:

Name of director	Share type	At 31st August 2001	At 1st September 2000
		Number	Number
Mr B Metcalf	Ordinary £1	200,000	200,000

**Joseph Metcalf Limited**

**Director's Report**

**for the year ended 31st August 2001**

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**Auditors**

The auditors, Lathams, have transferred their audit business to Blueprint Audit Limited. In accordance with Section 26 of the Companies Act 1989, Blueprint Audit Limited has been appointed as auditor to succeed Lathams, and will be proposed for reappointment at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

By order of the Board



**Mr J D Metcalf, Secretary**

Date: 27 November 2001

**Auditors' report to the**  
**Shareholders of Joseph Metcalf Limited**  
**on the Financial Statements for the year ended 31st August 2001**

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We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of director and auditors**

As described on page 1 the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and 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 director 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 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 the 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 31st August 2001 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Lathams Blueprint*

**Lathams Blueprint**  
**Registered Auditor**  
**Sumner House**  
**St Thomas's Road**  
**Chorley**  
**Lancashire**  
**PR7 1HP**

**Date:** *27 November 2001*

Lathams Blueprint is a trading name of Blueprint Audit Limited, a registered auditor.

# Joseph Metcalf Limited

## Profit and Loss Account

for the year ended 31st August 2001

	Notes	2001 £	2000 £
<b>Turnover</b>	2	12,479,603	12,580,887
Cost of sales		(7,958,390)	(7,532,051)
<b>Gross profit</b>		4,521,213	5,048,836
Distribution costs		(1,661,274)	(1,512,025)
Administrative expenses - normal		(3,013,626)	(3,185,831)
Administrative expenses - exceptional	3	(11,123)	(98,000)
<b>Operating (loss)/profit</b>	4	(164,810)	252,980
Interest receivable		1,211	8,010
Interest payable	7	(101,813)	(84,446)
<b>(Loss)/profit on ordinary activities before taxation</b>		(265,412)	176,544
Tax on (loss)/profit on ordinary activities	8	1,707	(131,026)
<b>(Loss)/profit for the financial year</b>	19	(263,705)	45,518

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

# Joseph Metcalf Limited

## Balance Sheet

as at 31st August 2001

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Fixed assets</b>					
Tangible assets	9		3,767,071		3,711,950
Investments	10		102		102
			<u>3,767,173</u>		<u>3,712,052</u>
<b>Current assets</b>					
Stocks	12	1,880,903		2,167,619	
Debtors	13	1,895,982		1,857,274	
Cash at bank and in hand		573,349		508,225	
		<u>4,350,234</u>		<u>4,533,118</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,873,490)</u>		<u>(1,925,138)</u>	
<b>Net current assets</b>			<u>2,476,744</u>		<u>2,607,980</u>
<b>Total assets less current liabilities</b>			<u>6,243,917</u>		<u>6,320,032</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(267,666)		(115,644)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	17		(95,987)		(60,419)
			<u>5,880,264</u>		<u>6,143,969</u>
<b>Capital and reserves</b>					
Share capital	18		200,000		200,000
Revaluation reserve	19		6,927		6,927
Profit and loss account	19		5,673,337		5,937,042
<b>Equity Shareholders' funds</b>	20		<u>5,880,264</u>		<u>6,143,969</u>

These financial statements were approved by the board on

27 November 2001.

*B. Metcalf*  
Mr B Metcalf  
Director



**Joseph Metcalf Limited****Cash Flow Statement****for the year ended 31st August 2001**

	<b>Notes</b>	<b>2001 £</b>	<b>2000 £</b>
<b>Net cash inflow from operating activities</b>	21	424,798	691,727
<b>Returns on investments and servicing of finance</b>	22	(100,602)	(76,436)
<b>Taxation</b>		(32,185)	(157,147)
<b>Capital expenditure</b>	22	(40,111)	(246,835)
<b>Cash inflow before financing</b>		251,900	211,309
<b>Financing</b>	22	(103,842)	(35,451)
<b>Increase in cash</b>		<u>148,058</u>	<u>175,858</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase in cash in the year</b>		148,058	175,858
Capital repayment of finance leases	23	<u>103,842</u>	<u>35,451</u>
Change in net debt resulting from cash flows		251,900	211,309
New finance leases		<u>(328,000)</u>	<u>(116,990)</u>
<b>Movement in net debt in the year</b>	23	(76,100)	94,319
<b>Net debt at 1st September 2000</b>		<u>(300,613)</u>	<u>(394,932)</u>
<b>Net debt at 31st August 2001</b>	23	<u>(376,713)</u>	<u>(300,613)</u>

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

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### I Accounting policies

#### **Accounting convention**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention, modified by the revaluation of certain fixed assets.

#### **Group financial statements**

The company has taken advantage of the exemption given by Section 249 of the Companies Act 1985 not to prepare group financial statements on the grounds that the subsidiary undertaking is immaterial to the group. The financial statements present information about the company as an individual undertaking and not as a group.

#### **Turnover**

Turnover represents the invoiced amount of goods sold and services provided less returns and allowances, excluding value added tax.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less accumulated depreciation.

All classes of tangible fixed assets are recorded at cost. As permitted by FRS 15, freehold land and buildings which had been revalued prior to its implementation are recorded at that valuation.

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives. The principal annual rates and methods used are:

Freehold land and buildings	2% - 10% straight line
Plant and machinery	12.5% - 25% straight line and reducing balance
Motor vehicles	25% straight line

#### **Leasing and hire purchase**

Certain tangible fixed assets are held under finance leases and hire purchase agreements. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of repayments is charged to the profit and loss account in proportion to the reducing capital element outstanding.

All other leases held are operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

#### **Fixed asset investments**

Investments are included at cost less amounts written off.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of production overheads, where applicable.

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### Deferred taxation

Deferred taxation is calculated under the liability method at the appropriate rate of tax in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements to the extent that, in the opinion of the director, those differences will give rise to tax liabilities in the foreseeable future.

### Pension costs

Pension costs are recognised on a systematic basis over the period that the company benefits from the services of the employees who are members of the pension scheme.

## 2 Turnover

The geographical analysis of turnover is as follows:

	2001 £	2000 £
UK	12,307,125	12,433,319
Europe	172,478	147,568
	<u>12,479,603</u>	<u>12,580,887</u>

## 3 Exceptional items

The exceptional items this year relate to the profit from the sale of one of the company's properties, offset by, redundancy costs incurred in the year, closure costs relating to the closure of the Cambark site and the write off of a significant bad debt in the year. The exceptional item in the prior year relates to a trade debtor going into liquidation after the year ended 31st August 2000 and the debt being written off.

## 4 Operating result

The operating result is stated after charging or (crediting):

	2001 £	2000 £
Depreciation of tangible fixed assets:		
-owned assets	260,490	324,637
-assets held under hire purchase contracts and finance leases	35,860	26,949
Loss/(profit) on disposal of fixed assets	16,640	(4,234)
Hire of equipment	99,078	121,210
Operating leases:		
-land and buildings	104,986	114,000
Auditors' remuneration	<u>7,675</u>	<u>7,500</u>

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### 5 Director and employees

Staff costs, including director's remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	2,617,303	2,592,833
Social security costs	248,193	251,024
Other pension costs	70,608	57,503
	<u>2,936,104</u>	<u>2,901,360</u>

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

	2001 Number	2000 Number
Management	87	90
Selling and distribution	55	58
	<u>142</u>	<u>148</u>

Director's emoluments

	2001 £	2000 £
Aggregate emoluments	<u>79,225</u>	<u>75,898</u>

### 6 Pension scheme

The company operates defined contribution pension schemes for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £70,608 (2000 : £57,503).

### 7 Interest payable

	2001 £	2000 £
Interest payable on bank overdraft	89,232	74,870
Finance leases and hire purchase contracts	12,581	9,576
	<u>101,813</u>	<u>84,446</u>

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### 8 Taxation

	2001 £	2000 £
Based on the (loss)/profit for the year:		
UK corporation tax at 30% (2000 : 30%)	-	37,988
Deferred tax charge at 30% (2000 : 30%)	40,328	(7,581)
	40,328	30,407
Prior periods:		
UK corporation tax	(37,275)	32,619
Deferred taxation	(4,760)	68,000
	(1,707)	131,026

The tax charge for the year has been increased by approximately £159,800 (2000 : decreased by £8,200) in respect of permanent timing differences, reduced by approximately £39,900 (2000 : £Nil) in respect of deferred tax not provided and reduced by approximately £Nil (2000 : £14,400) in respect of marginal relief.

### 9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1st September 2000	2,750,738	3,956,294	85,486	6,792,518
Additions	99,972	581,026	11,569	692,567
Disposals	(295,838)	(406,386)	(23,543)	(725,767)
<b>At 31st August 2001</b>	<b>2,554,872</b>	<b>4,130,934</b>	<b>73,512</b>	<b>6,759,318</b>
At valuation in 1996	430,000	-	-	430,000
At cost	2,125,892	4,039,247	73,512	6,238,651
	2,555,892	4,039,247	73,512	6,668,651
<b>Depreciation</b>				
At 1st September 2000	180,025	2,843,365	57,178	3,080,568
Charge for the year	23,499	253,799	19,052	296,350
Disposals	(16,789)	(345,166)	(22,716)	(384,671)
<b>At 31st August 2001</b>	<b>186,735</b>	<b>2,751,998</b>	<b>53,514</b>	<b>2,992,247</b>
<b>Net book value</b>				
<b>At 31st August 2001</b>	<b>2,368,137</b>	<b>1,378,936</b>	<b>19,998</b>	<b>3,767,071</b>
At 31st August 2000	2,570,713	1,112,929	28,308	3,711,950

**Joseph Metcalf Limited**  
**Notes to the Financial Statements**  
**for the year ended 31st August 2001**

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On a historical cost basis, freehold land and buildings would have been included as follows:

	<b>Land and buildings</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Cost	2,548,965	2,743,811
Cumulative depreciation based on cost	186,735	180,025
Net book value	<u>2,362,230</u>	<u>2,563,786</u>

Assets held under finance leases and hire purchase have a net book value of £588,982 (2000 : £205,624). Depreciation charged for the year was £35,860 (2000 : £26,949).

**10 Fixed asset investments**

	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1st September 2000 and at 31st August 2001	<u>530,017</u>
<b>Provisions</b>	
At 1st September 2000 and at 31st August 2001	<u>529,915</u>
<b>Net book value</b>	
At 31st August 2000 and at 31st August 2001	<u>102</u>

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### 11 Shares in subsidiary undertakings

Name of company	Details of investments	Proportion held by company	Nature of business
E.F.G. (Horticultural Products) Limited	Ordinary £1	100%	Processing and selling peat
Sta-Brite Supplies Limited	Ordinary £1	100%	Dormant

The capital and reserves and profit or loss for the subsidiary as at its financial year ending with, or last before, the financial year of the holding company were as follows :

	Profit/(loss) for the year		Capital and reserves	
	2001	2000	2001	2000
	£	£	£	£
E.F.G. (Horticultural Products) Limited	Nil	Nil	(50)	(50)
Sta-Brite Supplies Limited	Nil	Nil	100	100

### 12 Stocks

	2001	2000
	£	£
Raw materials	730,129	815,031
Packaging	570,057	556,966
Finished goods	580,717	795,622
	<u>1,880,903</u>	<u>2,167,619</u>

### 13 Debtors

	2001	2000
	£	£
Trade debtors	1,560,897	1,547,983
Other debtors	63,568	8,372
Prepayments	271,517	300,919
	<u>1,895,982</u>	<u>1,857,274</u>

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
		£	£
	Bank overdraft	553,111	636,045
	Trade creditors	581,100	468,877
	Amounts owed to group undertaking	15,675	21,139
	Other creditors	12,109	100
	Accruals	522,901	603,201
	Corporation tax	-	69,460
	Other taxes and social security	59,309	69,167
	Obligations under hire purchase contracts and finance leases (Note 16)	129,285	57,149
		<u>1,873,490</u>	<u>1,925,138</u>

The bank overdraft is secured by a fixed and floating charge over all of the company's assets.

<b>15</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2001</b>	<b>2000</b>
		£	£
	Obligations under hire purchase contracts and finance leases (Note 16)	<u>267,666</u>	<u>115,644</u>

<b>16</b>	<b>Obligations under hire purchase contracts and finance leases</b>	<b>2001</b>	<b>2000</b>
		£	£
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	129,285	57,149
	Between 1 and 2 years	74,343	57,149
	Between 2 and 5 years	193,323	58,495
		<u>396,951</u>	<u>172,793</u>

Obligations under hire purchase contracts and finance leases are secured on the assets concerned.



# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### 17 Deferred taxation

Deferred taxation provided for in the financial statements is set out below and is calculated using a tax rate of 30% (2000 : 30%).

	2001 £	2000 £
At 1st September 2000	60,419	-
Movement in the year	35,568	60,419
At 31st August 2001	95,987	60,419

	Amount provided 2001 £	2000 £
Accelerated capital allowances	135,865	60,419
Less:		
Trading losses	39,878	-
	95,987	60,419

### 18 Share capital

	2001 £	2000 £
<b>Authorised Equity shares</b>		
200,000 Ordinary shares of £1 each	200,000	200,000
<b>Allotted Equity shares</b>		
200,000 Allotted, called up and fully paid ordinary shares of £1 each	200,000	200,000

### 19 Reserves

	Revaluation reserve £	Profit and loss account £
At 1st September 2000	6,927	5,937,042
Loss for the year	-	(263,705)
At 31st August 2001	6,927	5,673,337

### 20 Reconciliation of movement in shareholders' funds

	2001 £	2000 £
(Loss)/profit for the financial year	(263,705)	45,518
Opening shareholders' funds	6,143,969	6,098,451
Closing shareholders' funds	5,880,264	6,143,969

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### 21 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2001 £	2000 £
Operating (loss)/profit	(164,810)	252,980
Depreciation	296,350	351,586
Loss/(profit) on sale of fixed assets	16,640	(4,234)
Decrease in stocks	286,716	81,672
(Increase)/decrease in debtors	(38,708)	169,056
Increase/(decrease) in creditors	28,610	(159,333)
	<u>424,798</u>	<u>691,727</u>

### 22 Gross cash flows

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,211	8,010
Interest paid	(89,232)	(74,870)
Interest element of finance lease rentals payment	(12,581)	(9,576)
	<u>(100,602)</u>	<u>(76,436)</u>

#### Capital expenditure

Payments to acquire tangible fixed assets	(364,567)	(262,398)
Proceeds from the sale of tangible fixed assets	324,456	15,563
	<u>(40,111)</u>	<u>(246,835)</u>

#### Financing

Capital element of finance lease rentals payments	<u>(103,842)</u>	<u>(35,451)</u>
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### 23 Analysis of changes in net debt

	1st September 2000 £	Cash flows £	Non-cash changes £	31st August 2001 £
Cash at bank and in hand	508,225	65,124	-	573,349
Overdraft	(636,045)	82,934	-	(553,111)
	<u>(127,820)</u>	<u>148,058</u>	<u>-</u>	<u>20,238</u>
Finance leases	(172,793)	103,842	(328,000)	(396,951)
	<u>(300,613)</u>	<u>251,900</u>	<u>(328,000)</u>	<u>(376,713)</u>

# Joseph Metcalf Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

### 24 Operating lease commitments

At 31st August 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Equipment	
	2001	2000	2001	2000
	£	£	£	£
Operating leases which expire:				
Within one year	25,987	-	88,921	7,598
Between two and five years	-	-	93,069	224,365
After five years	78,999	114,000	-	-
	<u>104,986</u>	<u>114,000</u>	<u>181,990</u>	<u>231,963</u>

### 25 Capital commitments

The company had the following capital commitments:

	2001	2000
	£	£
Contracted for but not provided in the financial statements	<u>15,000</u>	<u>361,888</u>

### 26 Control

The company was under the control of its director as he controlled the whole of the company's issued ordinary share capital throughout the whole of the year and the previous year.

### 27 Related parties

During the year the company made purchases in the normal course of business from E.F.G. (Horticultural Products) Limited at a cost of £105,546 (2000 : £118,115). The company paid for goods on behalf of E.F.G. (Horticultural Products) Limited with a value of £111,010 (2000 : £94,965). Amounts owed to E.F.G. (Horticultural Products) Limited amounted to £15,675 at 31st August 2001 (2000 : £21,139) as disclosed in note 14.