

JOSEPH METCALF LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005

Company Registration Number 221152

Tenon Limited
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP



JOSEPH METCALF LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

CONTENTS	PAGES
The director's report	1 to 2
Independent auditors' report to the company	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Notes to the abbreviated accounts	6 to 13

JOSEPH METCALF LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31 AUGUST 2005

The director presents his report and the financial statements of the company for the year ended 31 August 2005.

Principal activities and business review

The company's principal activity during the year continued to be the manufacturing and merchanting of fertilisers, peat, growing media and pesticides.

The director has reviewed the management policies with a view to improving future results.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

The director and his interests in the shares of the company

The director who served the company during the year together with his beneficial interests in the shares of the company were as follows:

		At 31 August 2005	At 1 September 2004
Mr B Metcalf	'A' Ordinary	110,000	110,000
	'B' Ordinary	<u>90,000</u>	<u>90,000</u>

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 of the company 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
- 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director 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.

JOSEPH METCALF LIMITED
THE DIRECTOR'S REPORT *(continued)*
YEAR ENDED 31 AUGUST 2005

Auditors

A resolution to re-appoint Tenon Audit Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Brookside Lane
Oswaldtwistle
Accrington
Lancashire
BB5 3NY

Signed by order of the director

x J D Metcalf

Mr J D Metcalf
Company Secretary

(DATE)
Approved by the director on x 30 June 2006

JOSEPH METCALF LIMITED

INDEPENDENT AUDITORS' REPORT TO JOSEPH METCALF LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 13, together with the financial statements of Joseph Metcalf Limited for the year ended 31 August 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and the auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date: *17 October 2006*

JOSEPH METCALF LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2005

	Note	2005 £	2004 £
Gross profit		3,294,537	3,972,371
Distribution costs		(1,405,512)	(1,552,353)
Administrative expenses		(2,714,976)	(2,664,967)
Operating loss	2	(825,951)	(244,949)
Interest receivable		—	189
Interest payable and similar charges	6	(162,280)	(102,531)
Loss on ordinary activities before taxation		(988,231)	(347,291)
Tax on loss on ordinary activities	7	241,854	11,794
Loss for the financial year		(746,377)	(335,497)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 6 to 13 form part of these abbreviated accounts.

JOSEPH METCALF LIMITED
ABBREVIATED BALANCE SHEET
31 AUGUST 2005

	Note	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	8		4,318,497		4,585,562
Investments	9		102		102
			<u>4,318,599</u>		<u>4,585,664</u>
Current assets					
Stocks	10	2,422,192		2,612,598	
Debtors	11	1,979,622		1,896,884	
Cash in hand		821		706	
		<u>4,402,635</u>		<u>4,510,188</u>	
Creditors: Amounts falling due within one year	12	(3,092,609)		(2,719,471)	
Net current assets			1,310,026		1,790,717
Total assets less current liabilities			<u>5,628,625</u>		<u>6,376,381</u>
Creditors: Amounts falling due after more than one year	13		(363,532)		(137,011)
			<u>5,265,093</u>		<u>6,239,370</u>
Provisions for liabilities and charges					
Deferred taxation	15		—		(227,900)
			<u>5,265,093</u>		<u>6,011,470</u>
Capital and reserves					
Called-up share capital	18		200,020		200,020
Profit and loss account	19		5,065,073		5,811,450
Shareholders' funds	20		<u>5,265,093</u>		<u>6,011,470</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on ^(DATE) 30 June 2006

x B. Metcalf

Mr B Metcalf
Director

The notes on pages 6 to 13 form part of these abbreviated accounts.

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

1. Accounting policies

Basis of accounting

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

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% - 10% straight line
Plant & Machinery	- 12.5% - 33% straight line
Motor Vehicles	- 25% straight line

Land is not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost of raw materials is the purchase price, and cost of finished goods includes raw materials and direct labour and overheads.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

1. Accounting policies (continued)

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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

Fixed asset investments

Investments are included at cost less amounts written off.

2. Operating loss

Operating loss is stated after charging/(crediting):

	2005	2004
	£	£
Depreciation of owned fixed assets	369,625	271,072
Depreciation of assets held under hire purchase agreements	19,601	69,036
(Profit)/loss on disposal of fixed assets	—	(1,556)
Auditors' remuneration	6,400	6,400
Hire of equipment	106,416	135,742
Lease of land & buildings	<u>78,999</u>	<u>78,999</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No	No
Number of production staff	82	99
Number of management staff	44	42
	<u>126</u>	<u>141</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	2,492,330	2,602,492
Social security costs	256,871	270,596
Other pension costs	56,907	59,660
	<u>2,806,108</u>	<u>2,932,748</u>

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

4. Director's emoluments

The director's aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Emoluments receivable	<u>61,565</u>	<u>86,643</u>

5. Pension scheme

The company operates defined contribution pension schemes for the benefit of the employees. 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 £56,907 (2004: £59,660).

6. Interest payable and similar charges

	2005	2004
	£	£
Interest payable on bank borrowing	133,061	82,596
Finance charges	<u>29,219</u>	<u>19,935</u>
	<u>162,280</u>	<u>102,531</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2005	2004
	£	£
In respect of the year:		
UK Corporation tax	(15,299)	(16,327)
Over/under provision in prior year	<u>1,345</u>	<u>(12,281)</u>
	(13,954)	(28,608)
Deferred tax:		
Origination and reversal of timing differences	<u>(227,900)</u>	<u>16,814</u>
Tax on loss on ordinary activities	<u>(241,854)</u>	<u>(11,794)</u>

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

	2005 £	2004 £
Loss on ordinary activities before taxation	(988,231)	(347,291)
(Loss)/profit on ordinary activities by rate of tax	(187,764)	(65,985)
Effects of:		
Expenses not deductible for tax purposes	22,504	2,966
Difference between capital allowances and depreciation	62,192	36,961
Creation of tax losses	109,124	32,557
Adjustments to the tax charge in respect of prior years	1,345	(12,281)
Research and Development deduction	(6,056)	(6,499)
Research and Development tax credit	(15,299)	(16,327)
Total current tax (note 7(a))	(13,954)	(28,608)

8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 September 2004	2,874,578	5,242,371	67,991	8,184,940
Additions	30,330	96,831	–	127,161
Disposals	–	(5,000)	–	(5,000)
At 31 August 2005	2,904,908	5,334,202	67,991	8,307,101
Depreciation				
At 1 September 2004	266,277	3,286,086	47,015	3,599,378
Charge for the year	30,481	345,784	12,961	389,226
At 31 August 2005	296,758	3,631,870	59,976	3,988,604
Net book value				
At 31 August 2005	2,608,150	1,702,332	8,015	4,318,497
At 31 August 2004	2,608,301	1,956,285	20,976	4,585,562

Hire purchase agreements

Included within the net book value of £4,318,497 is £670,964 (2004 - £690,565) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £19,601 (2004 - £69,036).

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

9. Investments

	Shares in group undertakings £
Cost	
At 1 September 2004 and 31 August 2005	<u>338,444</u>
Amounts written off	
At 1 September 2004 and 31 August 2005	<u>338,342</u>
Net book value	
At 31 August 2005	<u>102</u>
At 31 August 2004	<u>102</u>

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%	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:

	2005 £	2004 £
Aggregate capital and reserves		
E.F.G. (Horticultural Products) Limited	(50)	(50)
Profit and (loss) for the year		
E.F.G. (Horticultural Products) Limited	—	—

10. Stocks

	2005 £	2004 £
Raw materials	1,101,116	1,543,800
Finished goods	1,321,076	1,068,798
	<u>2,422,192</u>	<u>2,612,598</u>

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

11. Debtors

	2005 £	2004 £
Trade debtors	1,501,237	1,356,401
Amounts owed by group undertakings	50	50
Other debtors	22,840	67,799
Prepayments and accrued income	455,495	472,634
	<u>1,979,622</u>	<u>1,896,884</u>

12. Creditors: Amounts falling due within one year

	2005 £	2004 £
Overdrafts	1,503,246	1,175,203
Trade creditors	793,034	850,125
Other taxation and social security	113,185	62,764
Hire purchase agreements	153,554	100,280
Other creditors	22,316	25,150
Accruals and deferred income	507,274	505,949
	<u>3,092,609</u>	<u>2,719,471</u>

The bank overdraft is secured by a First Legal Charge over the company's land and buildings and by a Fixed and Floating Charge over all the current and future assets of the company.

13. Creditors: Amounts falling due after more than one year

	2005 £	2004 £
Hire purchase agreements	<u>363,532</u>	<u>137,011</u>

14. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2005 £	2004 £
Amounts payable within 1 year	153,554	100,280
Amounts payable between 2 to 5 years	363,532	137,011
	<u>517,086</u>	<u>237,291</u>

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

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

15. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2005 £	2004 £
At 1 September 2004	227,900	211,086
Profit and loss account movement arising during the year	(227,900)	16,814
At 31 August 2005	<u>-</u>	<u>227,900</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	-	227,900
	<u>-</u>	<u>227,900</u>

16. Commitments under operating leases

At 31 August 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004
	Land & buildings	Other Items	Land & buildings
	£	£	£
Operating leases which expire:			
Within 1 year	-	34,022	-
Within 2 to 5 years	-	44,317	-
After more than 5 years	78,999	-	78,999
	<u>78,999</u>	<u>78,339</u>	<u>78,999</u>
			<u>105,026</u>

17. Related party transactions

At 31 August 2005, amounts owed by E.F.G. (Horticultural Products) Limited amounted to £50 (2004: £50).

JOSEPH METCALF LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2005

18. Share capital

Authorised share capital:

	2005 £	2004 £
110,000 'A' Ordinary shares of £1 each	110,000	110,000
90,000 'B' Ordinary shares of £1 each	90,000	90,000
1,000 'C' Ordinary shares of £0.01 each	10	10
1,000 'D' Ordinary shares of £0.01 each	10	10
1,000 'E' Ordinary shares of £0.01 each	10	10
	<u>200,030</u>	<u>200,030</u>

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
'A' Ordinary shares of £1 each	110,000	110,000	110,000	110,000
'B' Ordinary shares of £1 each	90,000	90,000	90,000	90,000
'C' Ordinary shares of £0.01 each	1,000	10	1,000	10
'D' Ordinary shares of £0.01 each	1,000	10	1,000	10
	<u>202,000</u>	<u>200,020</u>	<u>202,000</u>	<u>200,020</u>

'A' and 'B' shares rank *pari passu* on a return of assets on liquidation or otherwise and on a sale of the company. The holders of 'A' and 'B' shares are also entitled to receive notice and attend any General Meeting of the Company and shall have one vote for every share held. The directors may declare and authorise a dividend on one or both of the 'A' and 'B' shares subject to approval by Ordinary Resolution of the Company.

'C' Shares, 'D' Shares and 'E' Shares do not entitle the holders to any right in the share of the profits, capital or proceeds of the sales of the Company save for any dividend which is declared and authorised by the Directors and subject to approval by Ordinary Resolution of the Company.

19. Profit and loss account

	2005 £	2004 £
Balance brought forward	5,811,450	6,146,947
Accumulated loss for the financial year	(746,377)	(335,497)
Balance carried forward	<u>5,065,073</u>	<u>5,811,450</u>

20. Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Loss for the financial year	(746,377)	(335,497)
Opening shareholders' equity funds	6,011,470	6,346,967
Closing shareholders' equity funds	<u>5,265,093</u>	<u>6,011,470</u>

21. 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.