
Joseph Metcalf Limited
Financial Statements
for the year ended 31st August 2000

LATHAMS
CHARTERED ACCOUNTANTS
CHORLEY



Joseph Metcalf Limited

Company Information

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

Joseph Metcalf Limited

Contents

	Page
Director's report	I and 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 to 15

Joseph Metcalf Limited

Director's Report

for the year ended 31st August 2000

The director presents his report and the audited financial statements for the company for the year ended 31st August 2000.

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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 and review of business

The group's principal activity during the year continues to be manufacturing and merchandising 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 director considers the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend.

Director and his interests

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

Name of director	Share type	At 31st August	At 1st September
		2000	1999
		Number	Number
Mr B Metcalf	Ordinary £1	200,000	200,000

Joseph Metcalf Limited

Director's Report

for the year ended 31st August 2000

Auditors

A resolution to re-appoint Lathams, who were appointed during the year, as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Mr J D Metcalf, Secretary

Date: 2-2-01

Auditors' report to the
Shareholders of Joseph Metcalf Limited

We have audited the financial statements on pages 4 to 15 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 the 31st August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lathams

**Lathams
Registered Auditors and Chartered Accountants
Sumner House
St Thomas's Road
Chorley
Lancashire**

PR7 IHP

Date: 2/2/1

Joseph Metcalf Limited**Profit and Loss Account****for the year ended 31st August 2000**

	Notes	2000 £	1999 £
Turnover	2	12,580,887	12,294,894
Cost of sales		(7,532,051)	(7,084,010)
Gross profit		5,048,836	5,210,884
Distribution costs		(1,512,025)	(1,355,171)
Administrative expenses - normal		(3,185,831)	(3,253,799)
Administrative expenses - exceptional		(98,000)	-
Other operating income		8,010	4,422
Operating profit	4	260,990	606,336
Interest payable	7	(84,446)	(92,939)
Profit on ordinary activities before taxation		176,544	513,397
Tax on profit on ordinary activities	8	(131,026)	(144,862)
Profit for the financial year	19	45,518	368,535

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year.

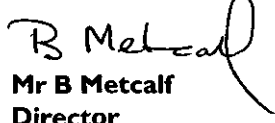
Joseph Metcalf Limited

Balance Sheet

as at 31st August 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	9		3,711,950		3,695,477
Investments	10		102		102
			<u>3,712,052</u>		<u>3,695,579</u>
Current assets					
Stocks	12	2,167,619		2,249,291	
Debtors	13	1,857,274		2,026,330	
Cash at bank and in hand		508,225		226,062	
		<u>4,533,118</u>		<u>4,501,683</u>	
Creditors: amounts falling due within one year	14	(1,925,138)		(2,034,726)	
Net current assets			<u>2,607,980</u>		<u>2,466,957</u>
Total assets less current liabilities			<u>6,320,032</u>		<u>6,162,536</u>
Creditors: amounts falling due after more than one year	15		(115,644)		(64,085)
Provisions for liabilities and charges					
Deferred taxation	17		(60,419)		-
			<u>6,143,969</u>		<u>6,098,451</u>
Capital and reserves					
Share capital	18		200,000		200,000
Revaluation reserve	19		6,927		6,927
Profit and loss account	19		5,937,042		5,891,524
Equity Shareholders' funds	20		<u>6,143,969</u>		<u>6,098,451</u>

These financial statements were approved by the board on 2 - 02 - 2001


Mr B Metcalf
Director

Joseph Metcalf Limited**Cash Flow Statement****for the year ended 31st August 2000**

	Notes	2000 £	1999 £
Net cash inflow from operating activities	21	699,737	686,134
Returns on investments and servicing of finance	22	(84,446)	(92,939)
Taxation		(157,147)	(60,219)
Capital expenditure	22	(246,835)	(350,733)
Cash inflow before financing		211,309	182,243
Financing	22	(35,451)	(27,438)
Increase in cash		<u>175,858</u>	<u>154,805</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		175,858	154,805
Capital repayment of finance leases	23	35,451	27,438
New finance leases	23	(116,990)	-
Movement in net debt in the year		<u>94,319</u>	<u>182,243</u>
Net debt at 1st September 1999		<u>(394,932)</u>	<u>(577,175)</u>
Net debt at 31st August 2000	23	<u>(300,613)</u>	<u>(394,932)</u>

Joseph Metcalf Limited

Notes to the Financial Statements

for the year ended 31st August 2000

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.

As permitted by FRS 15, freehold land and buildings which had been revalued prior to its implementation are recorded at that valuation. The directors intend to freeze freehold land and buildings at their current 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% 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 2000

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:

	2000 £	1999 £
UK	12,433,319	12,186,384
Europe	147,568	108,510
	<u>12,580,887</u>	<u>12,294,894</u>

3 Exceptional item

The exceptional item relates to a trade debtor going into liquidation after the year end and the debt being written off.

4 Operating profit

The operating profit is stated after charging or crediting:

	2000 £	1999 £
Depreciation of tangible fixed assets:		
-owned assets	324,637	353,894
-assets held under hire purchase contracts and finance leases	26,949	30,227
Profit on disposal of fixed assets	(4,234)	(24,432)
Hire of equipment	121,210	134,595
Operating leases:		
-land and buildings	114,000	147,000
Auditors' remuneration	7,500	15,577
	<u>7,500</u>	<u>15,577</u>

5 Director and employees

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

	2000 £	1999 £
Wages and salaries	2,592,833	2,544,789
Social security costs	251,024	220,255
Other pension costs	57,503	79,311
	<u>2,901,360</u>	<u>2,844,355</u>

Joseph Metcalf Limited
Notes to the Financial Statements
for the year ended 31st August 2000

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

	2000	1999
	Number	Number
Management	90	89
Selling and distribution	58	58
	<u>148</u>	<u>147</u>

6 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The total contributions paid in the year amounted to £57,503 (1999: £79,311).

7 Interest payable

	2000	1999
	£	£
Interest payable on bank overdraft	74,870	75,680
Finance leases and hire purchase contracts	9,576	17,259
	<u>84,446</u>	<u>92,939</u>

8 Taxation

	2000	1999
	£	£
Based on the profit for the year:		
UK corporation tax at 30% (1999: 30%)	37,988	156,000
Deferred tax charge	(7,581)	-
Prior periods:		
UK corporation tax	32,619	(11,138)
Deferred taxation	68,000	-
	<u>131,026</u>	<u>144,862</u>

The tax charge for the year has been decreased by approximately £8,200 (1999 increased by : £3,300) in respect of permanent timing differences and reduced by approximately £14,400 (1999 : £1,500) in respect of marginal relief.

Joseph Metcalf Limited

Notes to the Financial Statements

for the year ended 31st August 2000

9 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Total
Cost or valuation	£	£	£	£
At 1st September 1999	2,622,790	3,728,179	127,291	6,478,260
Additions	130,580	248,808	-	379,388
Disposals	-	(23,325)	(41,805)	(65,130)
Reclassification	(2,632)	2,632	-	-
At 31st August 2000	2,750,738	3,956,294	85,486	6,792,518
At valuation in 1996	430,000	-	-	430,000
At cost	2,320,738	3,956,294	85,486	6,362,518
	2,750,738	3,956,294	85,486	6,792,518
Depreciation				
At 1st September 1999	157,891	2,566,225	58,667	2,782,783
Charge for the year	22,134	299,865	29,587	351,586
Disposals	-	(22,725)	(31,076)	(53,801)
At 31st August 2000	180,025	2,843,365	57,178	3,080,568
Net book value				
At 31st August 2000	2,570,713	1,112,929	28,308	3,711,950
At 31st August 1999	2,464,899	1,161,954	68,624	3,695,477

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

	Land and buildings	
	2000	1999
	£	£
Cost	2,743,811	2,615,863
Cumulative depreciation based on cost	180,025	157,891
Net book value	2,563,786	2,457,972

Assets held under finance leases and hire purchase have a net book value of £205,624 (1999: £114,784). Depreciation charged for the year was £26,949 (1999: £30,227).

Joseph Metcalf Limited
Notes to the Financial Statements
for the year ended 31st August 2000

10 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1st September 1999 and at 31st August 2000	530,017
Provisions	
At 1st September 1999 and at 31st August 2000	529,915
Net book value	
At 31st August 1999 and at 31st August 2000	<u>102</u>

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	
	2000	1999	
	£	£	£
E.F.G. (Horticultural Products) Limited	Nil	Nil	(50)
Sta-Brite Supplies Limited	Nil	Nil	100

12 Stocks

	2000	1999
	£	£
Raw materials, packaging and goods for resale	<u>2,167,619</u>	<u>2,249,291</u>

Joseph Metcalf Limited

Notes to the Financial Statements

for the year ended 31st August 2000

13 Debtors	2000	1999
	£	£
Trade debtors	1,547,983	1,742,174
Other debtors	8,372	7,359
Prepayments	300,919	276,797
	<u>1,857,274</u>	<u>2,026,330</u>

14 Creditors: amounts falling due within one year	2000	1999
	£	£
Bank overdraft	636,045	529,740
Trade creditors	468,877	466,361
Amounts owed to group undertaking	21,139	33,932
Other creditors	100	-
Accruals	603,201	718,564
Corporation tax	69,460	156,000
Other taxes and social security	69,167	102,960
Obligations under hire purchase contracts and finance leases (Note 16)	57,149	27,169
	<u>1,925,138</u>	<u>2,034,726</u>

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

15 Creditors: amounts falling due after more than one year	2000	1999
	£	£
Obligations under hire purchase contracts and finance leases (Note 16)	<u>115,644</u>	<u>64,085</u>

16 Obligations under hire purchase contracts and finance leases	2000	1999
	£	£
Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
In the next year	57,149	27,169
Between 1 and 2 years	57,149	27,169
Between 2 and 5 years	58,495	36,916
	<u>172,793</u>	<u>91,254</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 2000

17 Deferred taxation

Deferred taxation not provided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 30% (1999 30%).

	2000 £	1999 £
At 1st September 1999	-	-
Movement in the year	60,419	-
At 31st August 2000	60,419	-

	Amount provided		Amount unprovided	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	60,419	-	-	68,037

18 Share capital

	2000 £	1999 £
Authorised		
Equity shares		
200,000 Ordinary shares of £1 each	200,000	200,000
Allotted		
Equity shares		
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 1999	6,927	5,891,524
Profit for the year	-	45,518
At 31st August 2000	6,927	5,937,042

20 Reconciliation of movement in shareholders' funds

	2000 £	1999 £
Profit for the financial year	45,518	368,535
Opening shareholders' funds	6,098,451	5,729,916
Closing shareholders' funds	6,143,969	6,098,451

Joseph Metcalf Limited

Notes to the Financial Statements

for the year ended 31st August 2000

21 Reconciliation of operating profit to net cash inflow from operating activities

	2000	1999
	£	£
Operating profit	260,990	606,336
Depreciation charges	351,586	384,121
Profit on sale of fixed assets	(4,234)	(24,432)
Decrease/(Increase) in stocks	81,672	(412,441)
Decrease/(Increase) in debtors	169,056	(129,138)
(Decrease)/Increase in creditors	(159,333)	261,688
	<u>699,737</u>	<u>686,134</u>

22 Gross cash flows

2000 1999
£ £

Returns on investments and servicing of finance

Interest paid	(74,870)	(75,680)
Interest element of finance lease rentals payment	(9,576)	(17,259)
	<u>(84,446)</u>	<u>(92,939)</u>

Capital expenditure and financial investment

Payments to acquire tangible fixed assets	(262,398)	(386,966)
Proceeds from the sale of tangible fixed assets	15,563	36,233
	<u>(246,835)</u>	<u>(350,733)</u>

Financing

Capital element of finance lease rentals payments	<u>(35,451)</u>	<u>(27,438)</u>
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23 Analysis of changes in net debt

	1st September 1999	Cash flows	Non-cash changes	31st August 2000
	£	£	£	£
Cash at bank and in hand	226,062	282,163	-	508,225
Overdraft	(529,740)	(106,305)	-	(636,045)
	<u>(303,678)</u>	<u>175,858</u>	<u>-</u>	<u>(127,820)</u>
Finance leases	(91,254)	35,451	(116,990)	(172,793)
	<u>(394,932)</u>	<u>211,309</u>	<u>(116,990)</u>	<u>(300,613)</u>

Joseph Metcalf Limited

Notes to the Financial Statements

for the year ended 31st August 2000

24 Operating lease commitments

At 31st August 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	7,598	12,155
Between two and five years	-	-	224,365	107,905
After five years	114,000	147,000	-	-
	<u>114,000</u>	<u>147,000</u>	<u>231,963</u>	<u>120,060</u>

25 Capital commitments

The company had the following capital commitments:

	2000	1999
	£	£
Contracted for but not provided in the financial statements	<u>361,888</u>	<u>-</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 £118,115 (1999: £107,585). The company also sold goods to E.F.G. (Horticultural Products) Limited with a value of £94,965 (1999: £89,874). Amounts owed to E.F.G. (Horticultural Products) Limited amounted to £21,139 at 31st August 2000 (1999: £33,932) as disclosed in note 14.