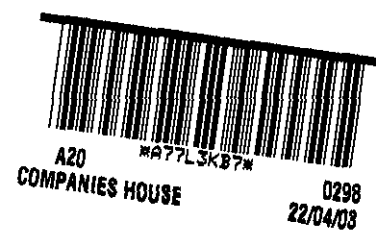


569911

**NEWPORT SILOS LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31 JULY 2002**



**NEWPORT SILOS LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31 JULY 2002**

# **NEWPORT SILOS LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	J E Lea A W Baxter A B Castle D Warr
<b>Secretary</b>	D Warr
<b>Company Number</b>	569911
<b>Auditors</b>	PKF Regent House Clinton Avenue Nottingham NG5 1AZ

# NEWPORT SILOS LIMITED

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**NEWPORT SILOS LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 JULY 2002**

The directors submit their report and the financial statements for the year ended 31 July 2002.

**Results and dividends**

The profit for the year, after taxation, amounted to **£20,791** (2001 - £18,813).

The directors consider the result to be satisfactory and are confident of future prospects.

**Principal activity and review of the business**

The principal activity of the company during the year continued to be that of cleaning, drying and storing cereals.

**Directors**

The directors who served during the year were:

J E Lea  
A W Baxter  
A B Castle  
D Warr

None of the directors had any interest in the share capital of the company during the year.

Their interest in the share capital of the parent company is disclosed in the consolidated financial statements of that company.

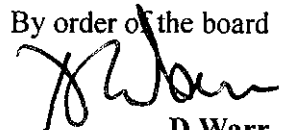
**Status**

The company is a close company under the provisions of the Income and Corporation Taxes Acts, 1988.

**Auditors**

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board

  
D Warr  
Secretary

8.10.2002

# **NEWPORT SILOS LIMITED**

## **STATEMENT OF 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 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
NEWPORT SILOS LIMITED**

We have audited the financial statements of Newport Silos Limited for the year ended 31 July 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 judgments 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Nottingham, UK  
16 October 2002

**PKF**  
Registered Auditors

**NEWPORT SILOS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JULY 2002**

	Notes	2002 £	2001 £
<b>TURNOVER</b>	<b>2</b>	<b>110,415</b>	<b>111,084</b>
Cost of sales		<u>(9,713)</u>	<u>(11,108)</u>
<b>GROSS PROFIT</b>		<b>100,702</b>	<b>99,976</b>
Administrative expenses		<u>(72,279)</u>	<u>(72,732)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>3</b>	<b>28,423</b>	<b>27,244</b>
<b>TAXATION</b>	<b>4</b>	<u><b>(7,632)</b></u>	<u><b>(8,431)</b></u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>20,791</b></u>	<u><b>18,813</b></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.



**NEWPORT SILOS LIMITED**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	2002 £	2001 £
Reported profit on ordinary activities before taxation	28,423	27,244
Difference between a historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	9,824	9,824
<b>Historical cost profit on ordinary activities before taxation</b>	<b>38,247</b>	<b>37,068</b>
<b>Historical cost profit for the year retained after taxation</b>	<b>30,615</b>	<b>28,637</b>

# NEWPORT SILOS LIMITED

## BALANCE SHEET

31 JULY 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible	5	786,221	787,218
<b>CURRENT ASSETS</b>			
Stocks	6	74	74
Debtors	7	13,467	12,307
Cash at bank and in hand		42,336	46,268
		<u>55,877</u>	<u>58,649</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(14,510)</u>	<u>(13,570)</u>
<b>NET CURRENT ASSETS</b>		<u>41,367</u>	<u>45,079</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>827,588</u>	<u>832,297</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	(430,464)	(455,964)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10	<u>(2,000)</u>	<u>(2,000)</u>
<b>NET ASSETS</b>		<u><u>395,124</u></u>	<u><u>374,333</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	8,200	8,200
Revaluation reserve	12	374,629	384,453
Profit and loss account	12	12,295	(18,320)
<b>SHAREHOLDERS' FUNDS</b>	13	<u><u>395,124</u></u>	<u><u>374,333</u></u>

The financial statements were approved by the board on 8.10.2002

Signed on behalf of the board of directors



J E Lea

Director

**NEWPORT SILOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2002**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

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

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	over 30 years
Plant and equipment	over 4 to 6 years

Freehold land is not depreciated.

**(d) Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value.

**(e) Deferred taxation**

Deferred taxation is provided in full on timing differences, arising from the different treatment of items for accounting and tax purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

**(f) Pensions**

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

**2 TURNOVER**

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

**NEWPORT SILOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2002**

**3 OPERATING PROFIT**

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	11,097	10,763
Audit fees	1,800	1,800
Staff costs	33,816	30,934
	<u>          </u>	<u>          </u>

No directors received any emoluments (2001 - £NIL).

**4 TAXATION**

(a) Analysis of charge in year	2002	2001
	£	£
<b>UK corporation tax</b>		
Current tax on income for the year	8,000	7,500
Adjustments in respect of prior periods	(368)	(69)
	<u>7,632</u>	<u>7,431</u>
<b>Deferred tax</b>		
Current tax on income for the year	-	1,000
	<u>7,632</u>	<u>8,431</u>

**(b) Factors affecting tax charge for year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK (20 per cent). Reconciling items are explained below:

Profit on ordinary activities before tax	28,423	27,244
	<u>          </u>	<u>          </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2001: 30%)	5,400	5,449
Effects of:		
Depreciation in excess of capital allowances	2,600	3,051
Adjustments in respect of prior periods	(368)	(69)
	<u>7,632</u>	<u>8,431</u>

**NEWPORT SILOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2002**

**5 TANGIBLE FIXED ASSETS**

	Freehold Land & buildings £	Plant & machinery £	Total £
<b>Cost or valuation</b>			
At 1 August 2001	892,270	186,720	1,078,990
Additions	10,100	-	10,100
At 31 July 2002	<u>902,370</u>	<u>186,720</u>	<u>1,089,090</u>
<b>Depreciation</b>			
At 1 August 2001	105,212	186,560	291,772
Charge for year	10,937	160	11,097
At 31 July 2002	<u>116,149</u>	<u>186,720</u>	<u>302,869</u>
<b>Net book amount</b>			
At 31 July 2002	<u>786,221</u>	-	<u>786,221</u>
At 31 July 2001	<u>787,058</u>	<u>160</u>	<u>787,218</u>

The company's properties were revalued on the basis of open market value by G F Singleton and Co. Surveyors and Valuers on 6 June 1991 before any work was undertaken on the renovation of the buildings, plant and equipment.

On the historical cost basis, fixed assets would have been included as follows:

	2002 £	2001 £
Cost	621,282	611,182
Cumulative depreciation	<u>(209,690)</u>	<u>(208,419)</u>
Net book amount	<u>411,592</u>	<u>402,763</u>

**6 STOCKS**

	2002 £	2001 £
Raw materials	<u>74</u>	<u>74</u>

**NEWPORT SILOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2002**

**7 DEBTORS**

	2002 £	2001 £
<b>Due within one year</b>		
Trade debtors	5,264	3,734
Other debtors	5,560	5,839
Prepayments & accrued income	2,643	2,734
	<u>13,467</u>	<u>12,307</u>

**8 CREDITORS**

	2002 £	2001 £
<b>Amounts falling due within one year</b>		
Trade creditors	196	3,523
Corporation tax	8,000	7,500
Accruals and deferred income	6,314	2,547
	<u>14,510</u>	<u>13,570</u>

**9 CREDITORS**

	2002 £	2001 £
<b>Amounts falling due after more than one year</b>		
Amounts owed to group undertakings	430,464	455,964

**10 PROVISIONS FOR LIABILITIES AND CHARGES**

		<b>Deferred taxation £</b>
At 1 August 2001		<b>2,000</b>
<b>At 31 July 2002</b>		<b>2,000</b>
<hr/>		
Deferred tax is analysed as follows:		
	<b>2002</b>	2001
	<b>£</b>	<b>£</b>
Capital allowances	<b>2,000</b>	2,000
	<hr/>	<hr/>

**NEWPORT SILOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2002**

**16 PARENT UNDERTAKINGS AND CONTROLLING PARTIES**

The company is controlled by Morning Foods Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Morning Foods Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.

**NEWPORT SILOS LIMITED**  
**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JULY 2002**

	2002		2001	
	£	£	£	£
<b>Turnover</b>				
Drying charges and storage rents		110,415		111,084
<b>Cost of sales</b>				
Power, light and heat	(9,713)		(11,108)	
		(9,713)		(11,108)
<b>Gross profit</b>		100,702		99,976
<b>Administrative expenses</b>				
Bank charges	120		112	
Wages, salaries and National Insurance	33,816		30,934	
Telephone charges	1,891		1,330	
Repairs and renewals	6,180		10,095	
Motor expenses	-		13	
Rates and insurance	17,375		17,457	
Sundry expenses	-		228	
Auditor's remuneration	1,800		1,800	
Depreciation - land and buildings	10,937		10,600	
Depreciation - plant and equipment	160		163	
		(72,279)		(72,732)
<b>Operating profit</b>		28,423		27,244
<b>Profit before taxation</b>		28,423		27,244

This page does not form part of the financial statements.