

**H&M (Ludlow) Limited**  
*(Formerly Hodges & Moss Limited)*

Financial statements  
Registered number 981768  
31 July 2001



## **Financial statements**

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## **Directors' report**

The directors submit their report and the audited financial statements of the company for the year ended 31 July 2001.

### **Change of name**

On 30 October 2001 the company changed its name from Hodges & Moss Limited to H&M (Ludlow) Limited.

### **Review of business**

The company has not traded during the year, but has paid rent on a leasehold property which has been met by its parent undertaking. The lease was guaranteed by the immediate parent company for the first ten years and the guarantee expired on 4 November 2001. The parent company has indicated that it will not extend this guarantee and full provision amounting to £76,792 has been made in the accounts for the excess of the lease commitment over the estimated rental receivable for the balance of the lease.

### **Accounting Policies**

Due to the provision relating to the lease commitment disclosed above, the company is unable to meet its liabilities, the parent company is unwilling to provide continued financial support, and therefore the accounts have been prepared on a break up basis and not on a going concern basis.

### **Directors**

The directors who served throughout the period were:

JRC Harris  
MJ Orton

The interests of JRC Harris in the share capital of the ultimate holding company, Brook House Agriculture Limited, are disclosed in that company's financial statements. The interests of the other director was as follows:

**'B' ordinary shares**  
**At 31 July 2001 and 2000**

MJ Orton

By order of the board



**KJ Matthews**  
*Secretary*

15 March 2002

## **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 period. 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

The director is responsible for keeping proper accounting records which 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. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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## **Report of the independent auditors to the members of H&M (Ludlow) Limited (formerly Hodges & Moss Limited)**

We have audited the financial statements on pages 4 and 5 which, as described in note 1, have not been prepared on a going concern basis.

### **Respective responsibilities of director and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

### **Basis of audit 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.

### **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 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants  
Registered Auditors*

15 March 2002

**Profit and loss account**  
*for the year ended 31 July 2001*

	<i>Notes</i>	2001	2000
		£	£
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Other operating income		33,708	-
Administrative expenses		(33,708)	-
		<hr/>	<hr/>
Operating loss		-	-
Provision for property lease commitment		(76,792)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(76,792)	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation accumulated for the period		(76,792)	-
		<hr/> <hr/>	<hr/> <hr/>

In both the current and preceding years the company made no material acquisitions and had no discontinued operations.

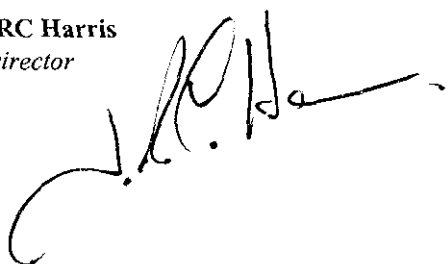
## Balance sheet

*as at 31 July 2001*

	<i>Notes</i>	<b>2001</b> £	2000 £
<b>Current assets</b>			
Debtors - amounts owed by group undertakings:			
Attributable to parent undertakings		2	2
<b>Creditors</b>			
Provisions		(76,792)	-
<b>Equity shareholders' funds</b>		(76,790)	2
<b>Capital and reserves</b>			
Called up share capital	4	2	2
Profit and loss account	2	(76,792)	-
<b>Equity shareholders' funds</b>	5	(76,790)	2

These financial statements were approved by the board of directors on 15 March 2002 and were signed on its behalf by:

JRC Harris  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Accounting convention*

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

#### *Basis of accounting*

The accounts have been prepared on a break up basis as the immediate parent company will not provide continued financial support, so it is inappropriate to prepare these financial statements on a going concern basis.

#### *Cash flow statement*

Under FRS 1, the company is exempt from preparing a cash flow statement as it is a wholly owned subsidiary of Brook House Agriculture Limited which publishes consolidated financial statements.

### 2 Profit and loss account

The company has not traded during the year. However, a liability for payment of a lease commitment crystallised during the year. The lease was guaranteed by the immediate parent company for the first ten years and the parent company guarantee expired on 4 November 2001. The parent company has indicated that it will not extend its guarantee and full provision amounting to £76,792 has been made in the accounts for the excess of the lease commitment over the estimated realistic rental receivable for the balance of the lease.

### 3 Operating loss

	2001 £	2000 £
<i>The operating loss is stated after charging/(crediting):</i>		
Rent receivable	(33,708)	-
Operating lease rentals - land and buildings	33,708	-
	<hr/>	<hr/>

### 4 Share capital

	Authorised £	Issued and fully paid £
At 31 July 2000 and 2001		
Ordinary shares of £1 each	100	2
	<hr/>	<hr/>

**Notes** *(continued)*

**5 Reconciliation of movements in shareholders' funds**

	2001 £	2000 £
Loss for the year	(76,792)	-
Opening shareholders' funds	2	2
Closing shareholders' funds	(76,790)	2

**6 Financial commitments**

**Operating leases**

	2001 £	2000 £
<i>Lease payments due within one year relating to leases which terminate within:</i>		
- one year	-	-
- two to five years	33,000	33,000
	33,000	33,000

**7 Ultimate parent company**

The immediate parent company is Brown Butlin Group Limited, a company registered in England and Wales.

The ultimate parent company is Brook House Agriculture Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements may be obtained from the Registrar of Companies.