

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu
International



Company Registration No. 01475550

**PLANTSMAN ARDLEIGH STORAGE
LIMITED**

Report and Financial Statements

31 March 1997

**Deloitte & Touche
Leda House
Station Road
Cambridge CB1 2RN**



(- 13/10/97)

REPORT AND FINANCIAL STATEMENTS 1997

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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mrs S P Rendall
J Loshak
R G Rendall

SECRETARY

J Loshak

REGISTERED OFFICE

Home Farm
Ardleigh
Colchester
Essex CO7 7LU

BANKERS

Midland Bank Plc
46 Market Hill
Sudbury
Suffolk CO10 6ES

AUDITORS

Deloitte & Touche
Chartered Accountants
Leda House
Station Road
Cambridge CB1 2RN

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of the storage, packing and marketing of fruit.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company continues to enjoy the support of the group companies as it increases sales and develops new product lines. The current year has started well with encouraging results from the new developments.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their interests in the shares of the company at the beginning and end of the year were:

	Ordinary shares of £1 each	
	31 March 1997	1 April 1996
Mrs S P Rendall	-	-
J Loshak	-	-
R G Rendall	-	-

Mrs S P Rendall and J Loshak are directors of Boxford (Suffolk) Holdings Limited, the ultimate parent company. Their interests in the share capital of Boxford (Suffolk) Holdings Limited are shown in that company's accounts. R G Rendall has no interest in the share capital of Boxford (Suffolk) Holdings Limited.

AUDITORS

Deloitte & Touche were appointed as auditors during the year. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
 and signed on behalf of the Board



Secretary *DIRECTOR*

**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 as at the end of the financial year 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 to enable them to ensure that the financial statements comply with the Companies Act. 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.



Chartered Accountants

Deloitte & Touche
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Cambridge CB1 2RN

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DX 5812

PLANTSMAN ARDLEIGH STORAGE LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 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 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Chartered Accountants and
Registered Auditors
21st January 1998


PROFIT AND LOSS ACCOUNT
Year ended 31 March 1997

	Note	1997 £	1996 £
TURNOVER	2	1,512,628	1,216,713
Cost of sales		(1,169,801)	(1,007,515)
Gross profit		342,827	209,198
Administrative expenses		346,176	242,603
OPERATING LOSS	3	(3,349)	(33,405)
Interest receivable	5	3,600	3,600
Interest payable and similar charges	6	(14,631)	(14,636)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,380)	(44,441)
Tax on loss on ordinary activities	7	-	13,238
Retained loss for the financial year		(14,380)	(31,203)
Retained loss brought forward		(36,902)	(5,699)
Retained loss carried forward		(51,282)	(36,902)

All activities derived from continuing operations.

There are no recognised gains and losses or movements in shareholders' funds other than the loss for the current financial year and the loss for the preceding financial year. Accordingly, no statement of total recognised gains and losses or movements in shareholders' funds are given.


BALANCE SHEET
31 March 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	8	<u>667,720</u>	<u>504,750</u>
CURRENT ASSETS			
Stocks	9	110,700	74,878
Debtors	10	170,888	277,059
Cash at bank and in hand		<u>346</u>	<u>200</u>
		281,934	352,137
CREDITORS: amounts falling due within one year	11	<u>(623,893)</u>	<u>(410,700)</u>
NET CURRENT LIABILITIES		<u>(341,959)</u>	<u>(58,563)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		325,761	446,187
CREDITORS: amounts falling due after more than one year	12	<u>(317,868)</u>	<u>(423,914)</u>
		<u>7,893</u>	<u>22,273</u>
CAPITAL AND RESERVES			
Called up share capital	14	20,002	20,002
Share premium account		39,173	39,173
Profit and loss account		<u>(51,282)</u>	<u>(36,902)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>7,893</u>	<u>22,273</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

**NOTES TO THE ACCOUNTS**
Year ended 31 March 1997**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	5% straight line
Plant and machinery	20% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

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

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Pensions

The company operates a defined contribution pension scheme for some of its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.


NOTES TO THE ACCOUNTS
Year ended 31 March 1997
3. OPERATING LOSS

	1997 £	1996 £
Operating loss is after charging:		
Depreciation		
Owned assets	69,276	23,097
Rentals under operating leases		
Hire of plant and machinery	6,231	1,801
Auditors' remuneration	5,000	2,500
	<u> </u>	<u> </u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1997 £	1996 £
Directors' emoluments	<u> </u>	<u>10,837</u>

No directors' remuneration was paid by the company during the year to any of the remaining directors at the balance sheet date. Their remuneration is paid by the parent company.

	1997 No	1996 No
Average number of persons employed		
Management and administration	10	6
Production and storage	54	27
Sales and distribution	1	2
	<u> </u>	<u> </u>
	65	35
	<u> </u>	<u> </u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	553,281	322,001
Social security costs	24,652	24,197
Other pension costs	5,600	12,346
	<u> </u>	<u> </u>
	583,533	358,544
	<u> </u>	<u> </u>

5. INTEREST RECEIVABLE

	1997 £	1996 £
Other loan interest receivable	<u>3,600</u>	<u>3,600</u>


NOTES TO THE ACCOUNTS
Year ended 31 March 1997
6. INTEREST PAYABLE AND SIMILAR CHARGES

	1997	1996
	£	£
Bank loans and overdrafts	8,074	13,722
Group interest payable	4,409	-
Other interest	2,148	914
	<u>14,631</u>	<u>14,636</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	1997	1996
	£	£
United Kingdom corporation tax at nil% (1996 - 25%)	-	(13,238)
	<u>-</u>	<u>(13,238)</u>

8. TANGIBLE FIXED ASSETS

	Freehold buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 1996	215,979	476,893	55,104	20,001	767,977
Additions	227,171	5,760	6,407	-	239,338
Disposals	-	(7,092)	-	-	(7,092)
	<u>443,150</u>	<u>475,561</u>	<u>61,511</u>	<u>20,001</u>	<u>1,000,223</u>
At 31 March 1997					
Depreciation					
At 1 April 1996	288	224,262	28,734	9,943	263,227
Charge for the year	18,744	39,247	7,285	4,000	69,276
	<u>19,032</u>	<u>263,509</u>	<u>36,019</u>	<u>13,943</u>	<u>332,503</u>
At 31 March 1997					
Net book value					
At 31 March 1997	<u>424,118</u>	<u>212,052</u>	<u>25,492</u>	<u>6,058</u>	<u>667,720</u>
At 31 March 1996	<u>215,691</u>	<u>252,631</u>	<u>26,370</u>	<u>10,058</u>	<u>504,750</u>


NOTES TO THE ACCOUNTS
Year ended 31 March 1997
9. STOCKS

	1997 £	1996 £
Raw materials and consumables	110,700	74,878

10. DEBTORS

	1997 £	1996 £
Trade debtors	109,249	202,200
Amounts owed by group undertakings	-	16,031
Corporation tax	13,238	13,238
Other debtors	45,833	42,818
Prepayments and accrued income	2,568	2,772
	<u>170,888</u>	<u>277,059</u>

Amounts falling due after more than one year and included in the debtors above are:

	1997 £	1996 £
Amounts owed by group undertakings	-	16,031

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft	383,531	186,089
Trade creditors	167,970	142,839
Amounts owed to other group undertakings	9,000	-
Other taxes and social security costs	18,684	29,764
Other creditors	27,378	19,819
Accruals and deferred income	17,330	32,189
	<u>623,893</u>	<u>410,700</u>

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


NOTES TO THE ACCOUNTS
Year ended 31 March 1997
12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997 £	1996 £
Amounts owed to other group undertakings (due between one and two years)	317,868	423,914

13. PROVISIONS FOR LIABILITIES AND CHARGES
Deferred taxation

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided		Not provided	
	1997 £	1996 £	1997 £	1996 £
Accelerated capital allowances	-	-	13,532	15,282
Revenue losses	-	-	(18,426)	(18,647)
	-	-	(4,894)	(3,365)

Deferred taxation has not been provided for as in the opinion of the directors the liability will not crystallise due to the availability of tax losses in prior years.

14. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
20,002 ordinary shares of £1 each	20,002	20,002
Called up, allotted and fully paid		
20,002 ordinary shares of £1 each	20,002	20,002

15. CAPITAL COMMITMENTS

	1997 £	1996 £
Contracted for but not provided	30,000	-

16. CONTINGENT LIABILITIES

The company has given a cross-guarantee in respect of bank facilities of other group companies. As at 31 March 1997, the amount of such guarantees was £2,599,493.



NOTES TO THE ACCOUNTS
Year ended 31 March 1997

17. OPERATING LEASE COMMITMENTS

At 31 March 1997 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases:

	Other quipment	
	1997	1996
	£	£
Leases which expire:		
Within one year	1,008	-
Within two to five years	2,496	1,801
	<u>3,504</u>	<u>1,801</u>

18. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Boxford (Suffolk) Holdings Limited, a company registered in England and Wales. Copies of the group financial statements of Boxford (Suffolk) Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

19. RELATED PARTY TRANSACTIONS

In the ordinary course of business the company has traded with its ultimate parent company Boxford (Suffolk) Holdings Limited together with its subsidiaries. The company is exempt from disclosing details of these transactions because copies of Boxford (Suffolk) Holdings Limited group financial statements are publicly available.

The immediate controlling party is Boxford (Suffolk) Farms Limited. The ultimate controlling party is Boxford (Suffolk) Holdings Limited.