

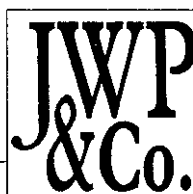
**S. P. STEPHENSON LIMITED**

1641703

---

**REPORTS AND ACCOUNTS  
FOR THE YEAR ENDED  
30TH JUNE 1997**

---



---

**J. W. Pickles & Co.**  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

---

20-24 PARK STREET  
SELBY

An independent Member of  
The U.K. 200 GROUP  
of Practising Chartered Accountants  
Authorised by the Institute of Chartered Accountants  
in England & Wales to carry on investment business



## S. P. STEPHENSON LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH JUNE 1997

## STATEMENT OF DIRECTORS RESPONSIBILITIES

Company Law requires us as 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 we 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.

We 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 1985. We are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors present their report and the accounts for the year ended 30th June 1997.

## ACTIVITY

The company's principal activities during the year were Farming and Haulage Contracting.

## DIRECTORS

The Directors who have served for the whole year, together with their beneficial interests in the shares of the company are as follows:

	Ordinary shares of £1 each	
	1997	1996
	Number	Number
S. P. Stephenson	250	250
Mrs E. M. Stephenson	260	260

## AUDITORS

The Auditors, J. W. Pickles & Co, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

The report of the Directors has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

By order of the board.

.....*E. M. Stephenson*.....

Date *28. 11. 97* .....

Mrs E. M. Stephenson  
Secretary

## REPORT OF THE AUDITORS TO THE MEMBERS OF

S. P. STEPHENSON LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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 30 June 1997 and of its Profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

*J. W. Pickles & Co*  
.....

J. W. PICKLES & CO.  
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS  
20 - 24 PARK STREET  
SELBY  
NORTH YORKSHIRE  
YO8 0PW

Date ..01 DEC 1997..

## S. P. STEPHENSON LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1997

	NOTE	£	1997 £	£	1996 £
TURNOVER	2		516,168		472,426
Cost Of Sales			284,985		254,374
GROSS PROFIT			231,183		218,052
Other Operating Income	3		6,659		6,752
			237,842		224,804
Administration Costs		78,733		62,328	
Other Operating Charges		98,292		79,412	
			177,025		141,740
OPERATING PROFIT	4		60,817		83,064
Loss on Fixed Assets			(3,804)		(1,632)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			57,013		81,432
Interest Received	5		6		134
Interest Payable	6		(25,647)		(29,561)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			31,372		52,005
Tax on Profit on Ordinary Activities	7		9,426		11,853
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			21,946		40,152
PROFIT FOR FINANCIAL YEAR			21,946		40,152
RETAINED PROFIT					
Brought Forward			135,925		95,773
Carried Forward			157,871		135,925

## STATEMENT OF RECOGNISED GAINS AND LOSSES

The only recognised gain for the year was the Profit for the financial year of £21,946 (1996 £40,152).

S. P. STEPHENSON LIMITED  
BALANCE SHEET AS AT 30TH JUNE 1997

	NOTE	£	1997 £	£	1996 £
FIXED ASSETS	8				
Tangible Assets					
Land and Buildings			557,252		557,252
Lease & Hire Purchase Vehicles			124,693		114,861
Plant and Machinery			20,797		15,458
Motor Vehicles			23,951		23,938
			<u>726,693</u>		<u>711,509</u>
CURRENT ASSETS	9				
Stocks		68,287		60,048	
Debtors		69,518		71,862	
Investments		1		1	
Cash at Bank and in Hand		6		8	
			<u>137,812</u>	<u>131,919</u>	
CREDITORS : amounts falling due within one year	10				
Bank Loan & Overdraft		69,421		55,517	
Directors Loan Accounts		2,337		4,576	
Trade Creditors		24,121		21,454	
Lease & Hire Purchase Creditors		36,493		36,648	
Taxation and Social Security		12,599		20,112	
Shareholders Loan Accounts		19,633		19,633	
			<u>164,604</u>	<u>157,940</u>	
NET CURRENT LIABILITIES			(26,792)		(26,021)
TOTAL ASSETS LESS CURRENT LIABILITIES			699,901		685,488
CREDITORS : amounts falling due after more than one year	10				
AMC plc Loan Account		122,743		128,136	
Lease & Hire Purchase Creditors		56,437		49,516	
Bank Loan		31,925		42,111	
			<u>211,105</u>	<u>219,763</u>	
PROVISIONS FOR LIABILITIES AND CHARGES	11				
Deferred Tax			2,400		1,275
			<u>486,396</u>	<u>464,450</u>	

S. P. STEPHENSON LIMITED  
BALANCE SHEET AS AT 30TH JUNE 1997

	NOTE	£	1997	£	£	1996	£
CAPITAL AND RESERVES	12						
Called Up Share Capital				1,000			1,000
Share Premium Account				327,525			327,525
Profit & Loss Account				157,871			135,925
				<u>486,396</u>			<u>464,450</u>

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board

...*E M Stephenson*... Mrs E. M. Stephenson

...*S P Stephenson*... S. P. Stephenson

...*25.11.97*... Date

## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1997

## 1. ACCOUNTING POLICIES

## Accounting convention

The accounts are prepared under the historical cost convention on a going concern basis.

## Depreciation

Depreciation is provided on all tangible fixed assets, other than Freehold Land, at rates calculated to write the assets down to their residual value at the end of their useful anticipated life as follows:

Leased & Hire Purchase Vehicles	- 25% Reducing Balance
Plant & Equipment	- 20% Reducing Balance
Motor Vehicles	- 20% Reducing Balance

## Freehold Land and Buildings

In view of the nature of the freehold land and buildings of the Company, and the policy of maintenance, the Directors feel that to charge depreciation in these Accounts would not give a true and fair view.

## Finance Leases and Hire Purchase Contracts

These are recorded in the Balance Sheet as Fixed Assets and as obligations to pay future liabilities. The interest element is charged to Profit and Loss over the period of the contracts. Operating lease rentals are charged to the Profit and Loss Account.

## Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Seeds, fertilizers & workings at purchased cost of seed, spray & fertilizers for the next year's crop plus estimated cost of cultivating & sowing undertaken at 30th June.

Produce at estimated cost of production of crops in stock on the farm.

## Deferred Taxation

Deferred taxation is provided on the basis of the tax relieved on capital allowances in advance of depreciation.

## 2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax and in the case of long term contracts, of the value of work done in the accounting period. The turnover and pre-tax results are attributable to the principal activities. An analysis of turnover by activity is given below:

Farming	228,116	226,012
Haulage	288,052	246,414
	<u>£516,168</u>	<u>£472,426</u>

## 3. OTHER OPERATING INCOME

	1997	1996
	£	£
Wayleaves	87	78
Net Rental Income	6,572	6,674
	<u>6,659</u>	<u>6,752</u>

## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1997

## 4. OPERATING PROFIT

	1997	1996
	£	£

This is stated after charging:

Operating Lease Charges	245	403
Auditors Remuneration	2,930	2,600
Directors Remuneration	34,452	33,647
Depreciation - Charged	52,758	48,133

Depreciation in respect of hire purchase and finance lease assets included above amounts to £41,568.

## 5. INTEREST RECEIVED

	1997	1996
	£	£

Bank Interest Received	6	134
	<u>6</u>	<u>134</u>

## 6. INTEREST PAYABLE

	1997	1996
	£	£

Bank & Loan Interest	25,647	29,561
	<u>25,647</u>	<u>29,561</u>

## 7. TAX ON RESULTS OF ORDINARY ACTIVITIES

	1997	1996
	£	£

Based on the results for the year:

Corporation Tax on Profit on Ordinary Activities	8,300	13,228
Deferred Tax	1,125	(1,375)
Corporation tax, Previous Year	1	-
	<u>9,426</u>	<u>11,853</u>



## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1997

## 8. FIXED ASSETS

## Tangible Assets

Cost or Valuation	LAND & BUILDINGS £	LEASE, HIRE PURCHASE VEHICLES £	PLANT & MACHINERY £
Balance at 30.06.96.	557,252	220,921	41,451
Additions		52,746	11,000
Disposals		(4,250)	(2,617)
Carried Forward	<u>557,252</u>	<u>269,417</u>	<u>49,834</u>
Depreciation			
Balance at 30.06.96.		106,060	25,993
Depreciation charged		41,568	5,203
Eliminated on Disposals		(2,904)	(2,159)
Carried Forward	<u>-</u>	<u>144,724</u>	<u>29,037</u>
Net Book Value at 30.06.97.	<u>557,252</u>	<u>124,693</u>	<u>20,797</u>
Net Book Value at 30.06.96.	<u>557,252</u>	<u>114,861</u>	<u>15,458</u>

Cost or Valuation	MOTOR VEHICLES £
Balance at 30.06.96.	36,471
Additions	8,000
Disposals	(2,500)
Carried Forward	<u>41,971</u>

Depreciation	
Balance at 30.06.96.	12,533
Depreciation charged	5,987
Eliminated on Disposals	(500)
Carried Forward	<u>18,020</u>
Net Book Value at 30.06.97.	<u>23,951</u>
Net Book Value at 30.06.96.	<u>23,938</u>

## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1997

## 9. CURRENT ASSETS

## Stocks

	1997 £	1996 £
Seeds, Fertilizers & Workings	68,287	60,048
	<u>68,287</u>	<u>60,048</u>

## Debtors due within one year

	1997 £	1996 £
Trade Debtors	58,417	55,731
VAT Refundable	8,106	7,037
Prepayments	2,995	9,094
	<u>69,518</u>	<u>71,862</u>

## Investments

	1997 £	1996 £
Greengroup Ltd	1	1
	<u>1</u>	<u>1</u>

## 10. CREDITORS: amounts falling due within one year

## Bank Loans &amp; Overdrafts

The Bank loan and overdraft are secured by a first charge over 93 acres of land at Manor Farm, Goodmanham.

## Directors Loan Accounts

	1997 £	1996 £
S.P. & Mrs E.M. Stephenson	2,121	4,576

## Lease &amp; Hire Purchase Creditors

	1997 £	1996 £
Humberclyde - Tipping Trailer	-	659
Humberclyde - Volvo Cab H613 YJV	-	4,089
Highland Finance - JCB Forklift E705 SAT	-	2,973
FAF - Renault Cab M699 GAT	10,594	9,536
FAF - Mercedes Cab G474 JOH	1,980	3,960
Humberclyde - Renault Tractor Unit J556 NGS	4,165	3,712
Highland Finance - Audi N886 CUG	5,333	5,333
Ing Farm Finance - Case Tractor	3,686	3,686
Highland Finance - Berthoud Sprayer	2,700	2,700
Highland Finance - Leyland Tractor Unit	8,034	-
	<u>£36,493</u>	<u>£36,648</u>

## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1997

10. CREDITORS: amounts falling due within one year  
Shareholders Loan Accounts

	1997	1996
	£	£
J.R. Stephenson	5,236	5,236
R.P. Stephenson	5,235	5,235
H.N. Stephenson	5,235	5,235
Mrs V.E. Williamson	3,927	3,927
	<u>19,633</u>	<u>19,633</u>

## Taxation &amp; Social Security

	1997	1996
	£	£
PAYE & NI Control	4,299	6,884
Corporation Tax	8,300	13,228
	<u>12,599</u>	<u>20,112</u>

## 10. CREDITORS: amounts falling due after more than one year

## AMC plc Loan Account

The Mortgage of £122,743 is to the Agricultural Mortgage Corporation plc. There are two loans, being a fixed rate loan at 10.5% per annum and a variable rate loan, both repayable by 28th July 2008. Both loans are secured by a first charge over 477 acres of land at Arras Wold.

## Lease &amp; Hire Purchase Creditors

	1997	1996
	£	£
FAF - Renault Cab M699 GAT	14,732	25,327
FAF - Mercedes Cab G474 JOH	-	1,980
Humberclyde - Renault Tractor Unit J556 NGS	2,639	6,804
Highland Finance - Audi N886 CUG	-	5,333
Ing Farm Finance - Case Tractor	3,686	7,372
Highland Finance - Berthoud Sprayer	-	2,700
Highland Finance - Leyland Tractor Unit	35,380	-
	<u>£56,437</u>	<u>£49,516</u>

## 11. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts represents the tax relieved on capital allowances in advance of depreciation.

## 12. CAPITAL AND RESERVES

## Share capital

Authorised - 1000 £1 Ordinary shares

Issued and fully paid - 1000 shares

There has been no alteration in the share capital of the company during the year.

## S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1997

## 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the Financial Year	<u>21,946</u>	<u>40,152</u>
Net Addition to Shareholders' Funds	21,946	40,152
Opening Shareholders' Fund	<u>464,450</u>	<u>424,298</u>
Closing Shareholders' Fund	<u>486,396</u>	<u>464,450</u>

## 14. RELATED PARTY TRANSACTIONS AND CONTROL RELATIONSHIPS

The Company was controlled throughout the current and previous year by Mr S.P. Stephenson and Mrs E.M. Stephenson who own 25% and 26% respectively of the Company's Ordinary Share Capital. A further 24% of the Share Capital is held in Trust for their children.