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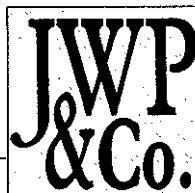
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**S. P. STEPHENSON LIMITED**

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**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
30TH JUNE 1996**

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**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 1996

## 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 1996.

## 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	
	1996	1995
	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.

This report has been prepared taking advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985.

By order of the board.

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

Date *28.11.96*  
.....

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 11 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 1996 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 ..... 29 NOV 1996

## S. P. STEPHENSON LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1996

	NOTE	£	1996 £	£	1995 £
TURNOVER	2		472,426		406,285
Cost Of Sales			254,374		221,059
GROSS PROFIT			218,052		185,226
Other Operating Income	3		6,752		6,254
			224,804		191,480
Administration Costs		62,328		62,162	
Other Operating Charges		79,412		63,618	
			141,740		125,780
OPERATING PROFIT	4		83,064		65,700
(Loss)/Profit on Fixed Assets			(1,632)		1,683
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			81,432		67,383
Interest Received	5		134		60
Interest Payable	6		(29,561)		(24,090)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			52,005		43,353
Tax on Profit on Ordinary Activities	7		11,853		9,429
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			40,152		33,924
PROFIT FOR FINANCIAL YEAR			40,152		33,924
RETAINED PROFIT					
Brought Forward			95,773		61,849
Carried Forward			135,925		95,773

## STATEMENT OF RECOGNISED GAINS AND LOSSES

The only recognised gain for the year was the Profit for the financial year of £40,152 (1995 £33,924).

S. P. STEPHENSON LIMITED  
BALANCE SHEET AS AT 30TH JUNE 1996

	NOTE	£	1996	£	£	1995	£
FIXED ASSETS	8						
Tangible Assets							
Land and Buildings			557,252			557,252	
Lease & Hire Purchase Vehicles			114,861			105,305	
Plant and Machinery			15,458			13,049	
Motor Vehicles			23,938			9,718	
			<u>711,509</u>			<u>685,324</u>	
CURRENT ASSETS	9						
Stocks		60,048			61,034		
Debtors		71,862			69,490		
Investments		1			1		
Cash at Bank and in Hand		8			560		
			<u>131,919</u>		<u>131,085</u>		
CREDITORS : amounts falling due within one year	10						
Bank Loan & Overdraft		55,517			49,948		
Directors Loan Accounts		4,576			6,037		
Trade Creditors		21,454			13,053		
Lease & Hire Purchase Creditors		36,648			30,038		
Taxation and Social Security		20,112			24,105		
Shareholders Loan Accounts		19,633			19,633		
			<u>157,940</u>		<u>142,814</u>		
NET CURRENT LIABILITIES				(26,021)			(11,729)
TOTAL ASSETS LESS CURRENT LIABILITIES				685,488			673,595
CREDITORS : amounts falling due after more than one year	10						
AMC plc Loan Account		128,136			136,509		
Lease & Hire Purchase Creditors		49,516			59,039		
Bank Loan		42,111			51,099		
				219,763			246,647
PROVISIONS FOR LIABILITIES AND CHARGES	11						
Deferred Tax				1,275			2,650
				<u>464,450</u>			<u>424,298</u>

S. P. STEPHENSON LIMITED  
BALANCE SHEET AS AT 30TH JUNE 1996

	NOTE	£	1996	£	£	1995	£
CAPITAL AND RESERVES	12						
Called Up Share Capital				1,000			1,000
Share Premium Account				327,525			327,525
Profit & Loss Account				135,925			95,773
				<u>464,450</u>			<u>424,298</u>

The directors have taken advantage of the special exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company.

Signed on behalf of the Board

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

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

.....*28.11.96*..... Date

## S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1996

## 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

## 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	226,012	196,400
Haulage	246,414	209,885
	<u>£472,426</u>	<u>£406,285</u>

## 3. OTHER OPERATING INCOME

	1996	1995
	£	£
Wayleaves	78	77
Net Rental Income	6,674	6,177
	<u>6,752</u>	<u>6,254</u>

## S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1996

## 4. OPERATING PROFIT

	1996	1995
	£	£

This is stated after charging:

Operating Lease Charges	403	798
Auditors Remuneration	2,600	2,520
Directors Remuneration	33,647	27,780
Depreciation - Charged	48,133	40,766

Depreciation in respect of hire purchase and finance lease assets included above amounts to £38,289.

## 5. INTEREST RECEIVED

	1996	1995
	£	£

Bank Interest Received	134	60
	<u>134</u>	<u>60</u>

## 6. INTEREST PAYABLE

	1996	1995
	£	£

Bank & Loan Interest	29,561	24,090
	<u>29,561</u>	<u>24,090</u>

## 7. TAX ON RESULTS OF ORDINARY ACTIVITIES

	1996	1995
	£	£

Based on the results for the year:

Corporation Tax on Profit on

Ordinary Activities

Deferred Tax

13,228	11,279
(1,375)	(1,850)
<u>11,853</u>	<u>9,429</u>



## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1996

## 8. FIXED ASSETS

## Tangible Assets

Cost or Valuation	LAND & BUILDINGS £	LEASE, HIRE PURCHASE VEHICLES £	PLANT & MACHINERY £
Balance at 30.06.95.	557,252	185,618	35,451
Additions		49,935	6,550
Disposals		(14,632)	(550)
Carried Forward	<u>557,252</u>	<u>220,921</u>	<u>41,451</u>
<u>Depreciation</u>			
Balance at 30.06.95.		80,313	22,402
Depreciation charged		38,289	3,859
Eliminated on Disposals		(12,542)	(268)
Carried Forward	<u>-</u>	<u>106,060</u>	<u>25,993</u>
Net Book Value at 30.06.96.	<u>557,252</u>	<u>114,861</u>	<u>15,458</u>
Net Book Value at 30.06.95.	<u>557,252</u>	<u>105,305</u>	<u>13,049</u>

Cost or Valuation	MOTOR VEHICLES £
Balance at 30.06.95.	19,906
Additions	29,565
Disposals	(13,000)
Carried Forward	<u>36,471</u>

<u>Depreciation</u>	
Balance at 30.06.95.	10,188
Depreciation charged	5,985
Eliminated on Disposals	(3,640)
Carried Forward	<u>12,533</u>
Net Book Value at 30.06.96.	<u>23,938</u>
Net Book Value at 30.06.95.	<u>9,718</u>

## S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1996

## 9. CURRENT ASSETS

## Stocks

	1996	1995
	£	£
Seeds, Fertilizers & Workings	60,048	61,034
	<u>60,048</u>	<u>61,034</u>

## Debtors due within one year

	1996	1995
	£	£
Trade Debtors	55,731	62,102
VAT Refundable	7,037	-
Prepayments	9,094	7,388
	<u>71,862</u>	<u>69,490</u>

## Investments

	1996	1995
	£	£
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

	1996	1995
	£	£
S.P. & Mrs E.M. Stephenson	<u>4,576</u>	<u>6,037</u>

## Lease &amp; Hire Purchase Creditors

	1996	1995
	£	£
FAF - Tipping Trailer	-	1,769
Humberclyde - Tractor K638 OKH	-	3,424
Humberclyde - Tipping Trailer	659	2,480
Humberclyde - Volvo Cab H613 YJV	4,089	3,696
Highland Finance - JCB Forklift E705 SAT	2,973	2,973
FAF - Renault Cab M699 GAT	9,536	8,476
FAF - Mercedes Cab G474 JOH	3,960	3,960
Humberclyde - Renault Tractor Unit J556 NGS	3,712	3,260
Highland Finance - Audi N886 CUG	5,333	-
Ing Farm Finance - Case Tractor	3,686	-
Highland Finance - Berthoud Sprayer	2,700	-
	<u>£36,648</u>	<u>£30,038</u>

## S. P. STEPHENSON LIMITED

## NOTES TO THE ACCOUNTS YEAR ENDED 30TH JUNE 1996

9. CREDITORS: amounts falling due within one year  
Taxation & Social Security

	1996	1995
	£	£
PAYE & NI Control	6,884	8,856
Corporation Tax	13,228	11,279
VAT Payable	-	3,970
	<u>20,112</u>	<u>24,105</u>

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

## AMC plc Loan Account

The Mortgage of £128,136 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

	1996	1995
	£	£
Humberclyde - Tipping Trailer	-	659
Humberclyde - Volvo Cab H613 YJV	-	4,089
Highland Finance - JCB Forklift E705 SAT	-	2,973
FAF - Renault Cab M699 GAT	25,327	34,862
FAF - Mercedes Cab G474 JOH	1,980	5,940
Humberclyde - Renault Tractor Unit J556 NGS	6,804	10,516
Highland Finance - Audi N886 CUG	5,333	-
Ing Farm Finance - Case Tractor	7,372	-
Highland Finance - Berthoud Sprayer	2,700	-
	<u>£49,516</u>	<u>£59,039</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.

## 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the Financial Year	<u>40,152</u>	<u>33,924</u>
Net Addition to Shareholders' Funds	40,152	33,924
Opening Shareholders' Fund	<u>424,298</u>	<u>390,374</u>
Closing Shareholders' Fund	<u>464,450</u>	<u>424,298</u>