

**Company number:
1761489 (ENGLAND & WALES)**

**KNIGHT FARM MACHINERY LIMITED
ABBREVIATED STATUTORY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

**MOORE STEPHENS
CHARTERED ACCOUNTANTS
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COMPANIES HOUSE

KNIGHT FARM MACHINERY LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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KNIGHT FARM MACHINERY LIMITED

ABBREVIATED BALANCE SHEET

AT 31 MARCH 2007

	Note	2007	2006
		£	£
Fixed assets			
Tangible assets	2	351,808	385,739
Current assets			
Stocks		844,417	819,884
Debtors		224,416	379,086
Cash at bank and in hand		460,386	233,812
		<u>1,529,219</u>	<u>1,432,782</u>
Creditors			
Amounts falling due within one year		(377,697)	(330,293)
Net current assets		<u>1,151,522</u>	<u>1,102,489</u>
Total assets less current liabilities		<u>1,503,330</u>	<u>1,488,228</u>
Creditors			
Amounts falling due after more than one year		-	(2,680)
Net assets		<u>1,503,330</u>	<u>1,485,548</u>
Capital and reserves			
Called up share capital	4	500,100	500,100
Profit and loss account		1,003,230	985,448
Shareholders' funds		<u>1,503,330</u>	<u>1,485,548</u>

In the opinion of the directors the company is entitled to claim exemptions from audit by virtue of subsection (1) of Section 249A of the Companies Act 1985. Members have not required the company, under Section 249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31 March 2007. The directors are responsible for ensuring that the company maintains accounting records in compliance with Section 221 of that Act and for preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with Section 226, and which comply with the other requirements of the Act relating to the accounts so far as applicable to the company.

In preparing these abbreviated financial statements the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 9 Jan '08 and signed on its behalf


B G Knight
 Director

The annexed notes form part of these financial statements

KNIGHT FARM MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Turnover

Turnover represents charges to external customers exclusive of Value Added Tax and trade discounts. Royalties in respect of design work done are included within turnover when the related sales occur.

Depreciation of fixed assets

Depreciation has been computed to write off the cost of fixed assets over their expected useful lives at the following rates -

Leasehold Premises Improvements	evenly over the period of the lease
Leasehold premises	2% on cost
Fixtures and fittings	15% per annum reducing balance
Plant and machinery	15% per annum reducing balance / straight line over 100 years
Motor vehicles	25% per annum reducing balance
Computer equipment	33 1/3% straight line

A full year's depreciation is charged in the year of acquisition of an asset but none in the year of disposal.

Stocks

Stocks and work in progress are valued consistently at the lower of cost (on first in first out basis) or net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.

Debtors

Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full.

Deferred taxation

Deferred tax assets and liabilities have arisen from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Full provision has been made to the extent to which it is considered more likely than not to become payable/recoverable in the foreseeable future and at the rate eventually expected to be charged.

Foreign exchange

Transactions in foreign currencies have been translated at the rate prevailing at the date of the transaction, the closing balances of monetary assets and liabilities denominated in a foreign currency have been translated at the rate prevailing on the Balance Sheet date. All profits and losses arising on exchange have been recognised in the Profit and Loss Account.

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Leasing

Leasing rentals payable on agreements which transfer substantially all the risks and rewards associated with ownership to the lessee (finance leases) are capitalised within Fixed Assets, and the obligation to pay future rentals included in creditors as a liability. The interest charges implicit in such a lease are written off to the Profit and Loss Account in proportion to the balance outstanding during the year.

All other leasing rentals (operating leases) are written off to the Profit and Loss Account as incurred.

Pension costs

Pension costs are recognised in the Profit and Loss Account in order to provide a systematic and rational charge over the periods from which benefits are derived from employees' services.

Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

Group accounts

The company is entitled to the exemptions under section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

Dividends

In accordance with the Financial Reporting Standards for Small Entities (effective January 2007), final dividends are only provided if they have been declared before the balance sheet date.

KNIGHT FARM MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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2 Tangible fixed assets

	Total £
Cost	
At 1 April 2006	833,494
Additions	2,374
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At 31 March 2007	835,868
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Depreciation	
At 1 April 2006	447,755
Charge for the year	36,305
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At 31 March 2007	484,060
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Net book value	
At 31 March 2007	351,808
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At 31 March 2006	385,739
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3 Creditors

Of the creditors due within one year £2,680 is secured

KNIGHT FARM MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

4 Share capital

	2007	2006
	£	£
Authorised		
Ordinary shares of £1 each	100	100
7% (Net) Cumulative Non-Redeemable Preference	500,000	500,000
	<u>500,100</u>	<u>500,100</u>
	<u>£</u>	<u>£</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100
7% (Net) Cumulative Non-Redeemable Preference	500,000	500,000
	<u>500,100</u>	<u>500,100</u>
	<u>£</u>	<u>£</u>

In accordance with the Financial Reporting Standard for Smaller Entities effective January 2005), the 7% Cumulative Non-redeemable Preference shares are appropriately classified as equity

The 7% Cumulative Non-Redeemable Preference Shares do not confer any voting rights, but are paid off at par in the event of a winding up in priority to any repayment on the Ordinary Shares

Dividends totalling £70,000 (£35,000 per year in relation to the 7% net cumulative Non-Redeemable Preference shares) are in arrears in respect of the years ended 31 March 2006 and 2007

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5 Related party transactions

During the year the company engaged in transactions with (1) the Knight Farm Machinery Limited Pension Scheme, and (2) R G Knight and Son, a farming partnership in which Mr R G Knight, a director of the company is a partner, and (3) Knights of Casterton Limited in which Mr B G Knight is a director (4) Mrs S Knight who is the wife of Mr B G Knight

During the year, the company paid rent to the Knight Farm Machinery Limited Pension Scheme amounting to £89,390 (2006 £89,390 The balance outstanding at the year end was £Nil)

R G Knight and Son paid rent for land to the company amounting to £Nil (2006 £7,956) During the year the company made sales to R G Knight and son of £1,150 and purchases from R G Knight and son of £1,616

The amount outstanding by Knight Farm Machinery to R G Knight and son at the year end was £785 (2006 Nil)

During the year the company paid £120,000 (2006 £30,500) management charges to Knights of Casterton Limited The balance outstanding at the year end was £Nil (2006 £nil)

During the year the company made sales to Mrs S Knight of £396 The balance owed by Mrs S Knight to the company at the year end was £27

At the year end Knight Farm Machinery Limited owed Knights of Casterton Limited £40,000 (2006 £60,000)

During the previous year Knights of Casterton Limited bought two Fowler Steam Engines from Knight Farm Machinery Limited for a market value of £140,000

6 Ultimate controlling party

The company is under the control of Knights of Casterton Limited, by virtue of its majority shareholding at the 31st March 2006

Knights of Casterton Limited is controlled by B G Knight who is the ultimate controlling party