

**HOLBEACH MARSH CO-OPERATIVE LIMITED**

**REPORTS AND ACCOUNTS**

**31st May 1999**

**Registered Number 2880419**



**HOLBEACH MARSH CO-OPERATIVE LIMITED**

**BOARD OF DIRECTORS**

P.H. Shepherd M.B.E. - Chairman

A.J.L. Worth - Managing Director

W.B. Carter

D.C. Cave

D. Newling

D.J.T. Piccaver

R Thompson

M.P. Tinsley

A.G. West

**COMPANY SECRETARY**

D J Brooks

**REGISTERED OFFICE**

*Fleet Estate Office*  
Fleet  
Spalding  
Lincs

**AUDITORS**

HLB Kidsons  
Welland House  
High Street  
Spalding  
Lincs

# HOLBEACH MARSH CO-OPERATIVE LIMITED

## DIRECTORS' REPORT

31st May 1999

The directors present their report and the audited accounts for the year ended 31st May 1999.

### Principal activity

The principal activity of the company is that of a co-operative association of pea growers.

### Business review

The 1998 pea harvest saw particularly wet conditions which resulted in very poor yields for the second year in succession. The joint venture with two other groups continued, which allowed a more efficient harvesting system to be used. However, such were the low returns for the crop that the directors decided to use some of the company's reserves to soften the impact of the poor harvest on the growers. This is reflected in the loss for the year and the reduction of shareholders funds as shown in the balance sheet.

### Loss, dividends and appropriations

Retained loss for the year is shown in the profit and loss account on page 5.

### Post balance sheet event

One of the joint venture partners, George Thompson Farms, has been brought into full membership of the company. Part of the price of membership has been the transfer of ownership of one pea harvester to the company at valuation.

### Year 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The directors have assessed the risks to our business resulting from the date change to the year 2000 and do not foresee any problems arising.

### Fixed assets

The movement on fixed assets are detailed in note 6 to the accounts.

### Directors

The interests of the directors either directly or through the farming business they represent in the ordinary shares of the company were as follows:-

	31st May 1999	31st May 1998
W.B. Carter	-	-
D.C. Cave	600	600
D. Newling	600	600
D.J.T. Piccaver	600	600
P.H. Shepherd	600	600
R. Thompson	-	-
M.P. Tinsley	600	600
A.G. West	600	600
A.J.L. Worth	600	600

No director has been granted or exercised any right to subscribe for shares in the company.

R Thompson who was appointed as a director on 24 March 1999 offers himself for re-election together with D Newling and M P Tinsley who retire by rotation and being eligible offer themselves for re-election.

**HOLBEACH MARSH CO-OPERATIVE LIMITED**

**DIRECTORS' REPORT**

**31st May 1999**

(continued)

**Statement of directors' responsibilities**

We are required under company law to prepare accounts 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 year.

In preparing these accounts we are required to:

select suitable accounting policies and apply them consistently

make reasonable and prudent judgements and estimates

state whether accounting standards have been followed, and give details of any departures

prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

keeping proper accounting records

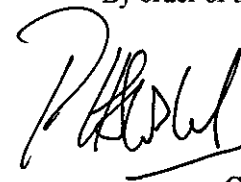
safeguarding the company's assets

taking reasonable steps for the prevention and detection of fraud.

**Auditors**

HLB Kidsons formerly Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

By order of the board



Chairman

Fleet Estate Office  
Fleet  
Spalding  
Lincs

29 September 1999

**HOLBEACH MARSH CO-OPERATIVE LIMITED**

**AUDITORS' REPORT**

**Auditors' report to the members of**

**Holbeach Marsh Co-operative Limited**

We have audited the accounts on pages 5 to 10 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st May 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*HLB Kid*

Spalding

29 September 1999

HLB Kidsons  
Registered Auditors  
Chartered Accountants

**HOLBEACH MARSH CO-OPERATIVE LIMITED****PROFIT AND LOSS ACCOUNT****for the year ended 31st May 1999**

	Note	1999	1998
		£	£
Throughput		911,029	1,153,124
Paid and payable to members		(606,063)	(613,364)
Income		304,966	539,760
Sundry income		1,900	2,381
Expenses			
Direct		366,745	358,496
Overheads		<u>48,738</u>	<u>80,000</u>
Operating (loss)/profit	2	(108,617)	103,645
Interest payable	3	(8,265)	(739)
Interest receivable		<u>39,897</u>	<u>15,581</u>
(Loss)/profit on ordinary activities before taxation		(76,985)	118,487
Taxation	5	<u>(8,708)</u>	<u>(3,772)</u>
Retained (loss)/profit for the year	14	<u>(85,693)</u>	<u>114,715</u>

The company has no recognised gains or losses other than those disclosed in the profit and loss account.

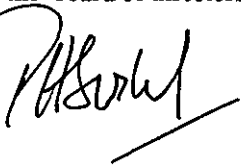
# HOLBEACH MARSH CO-OPERATIVE LIMITED

## BALANCE SHEET

at 31st May 1999

	Note	£	1999	£	1998	£
<b>Fixed assets</b>						
Tangible assets	6		51,000		102,200	
Investments	7		<u>25</u>		<u>25</u>	
			51,025		102,225	
<b>Current assets</b>						
Stocks	8	202,149		183,817		
Debtors	9	109,869		991,776		
Cash at bank and in hand		<u>583,245</u>		<u>-</u>		
		895,263		1,175,593		
<b>Creditors: amounts falling due within one year</b>	10	<u>(402,434)</u>		<u>(576,178)</u>		
<b>Net current assets</b>			<u>492,829</u>		<u>599,415</u>	
<b>Total assets less current liabilities</b>			543,854		701,640	
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(91,727)</u>		<u>(163,820)</u>	
			<u>452,127</u>		<u>537,820</u>	
<b>Capital and reserves (equity)</b>						
Called up share capital	13		13,200		13,200	
Share premium			1,694		1,694	
Profit and loss account	14		<u>437,233</u>		<u>522,926</u>	
<b>Total shareholders' funds</b>	12		<u>452,127</u>		<u>537,820</u>	

The accounts on pages 5 to 10 were approved by the board of directors on 29 September 1999.



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) Director  
)  
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# HOLBEACH MARSH CO-OPERATIVE LIMITED

## NOTES ON ACCOUNTS

31st May 1999

### 1 Principal accounting policies

#### Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cashflow statement conferred by Financial Reporting Standard No. 1.

#### Throughput

Throughput represents amounts received and receivable for produce supplied to customers during the year.

#### Income

Income represents amounts withheld from members' throughput to meet the running costs of the co-operative.

#### Depreciation

Depreciation, is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are:

Plant and equipment	5 year straight line basis
Office equipment	3 year straight line basis

#### Taxation

The company trades as a mutual enterprise and as such is only subject to taxation upon surpluses generated from its non-member trading and interest on temporary deposits.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less estimated cost of disposal.

	1999 £	1998 £
2 Operating profit		
Operating profit is stated after charging		
Auditors remuneration	<u>2,100</u>	<u>2,200</u>
Depreciation of tangible fixed assets	<u>51,200</u>	<u>51,203</u>
3 Interest payable		
Bank loans and overdraft	<u>8,265</u>	<u>739</u>
4 Directors		
Emoluments	<u>1,000</u>	<u>1,000</u>
5 Taxation		
Corporation tax payable at 20% (1998 21%)	<u>8,708</u>	<u>3,772</u>

The company trades as a mutual enterprise and as such is only subject to taxation upon any non-member trading and interest on temporary deposit.



# HOLBEACH MARSH CO-OPERATIVE LIMITED

## NOTES ON ACCOUNTS

31st May 1999

6	<b>Tangible fixed assets</b>	<b>Office equipment</b>	<b>Plant and machinery</b>	<b>Total</b>
		£	£	£
	<b>Cost</b>			
	31st May 1998 and 31st May 1999	<u>607</u>	<u>267,146</u>	<u>267,753</u>
	<b>Depreciation</b>			
	31st May 1998	407	165,146	165,553
	Charge for the year	<u>200</u>	<u>51,000</u>	<u>51,200</u>
	31st May 1999	<u>607</u>	<u>216,146</u>	<u>216,753</u>
	<b>Net book amount</b>			
	31st May 1999	<u>-</u>	<u>51,000</u>	<u>51,000</u>
	31st May 1998	<u>200</u>	<u>102,000</u>	<u>102,200</u>
			<b>1999</b>	<b>1998</b>
			£	£
	<b>Capital commitments</b>			
	Contracted for		<u>150,000</u>	<u>-</u>
7	<b>Fixed asset investments</b>			
	Unlisted investment at cost			
	The Federation of Agricultural Co-operatives (U.K.) Limited		<u>25</u>	<u>25</u>
8	<b>Stocks</b>			
	Raw materials and consumables		1,200	1,560
	Prepaid expense		<u>200,949</u>	<u>182,257</u>
			<u>202,149</u>	<u>183,817</u>
9	<b>Debtors: amounts falling due within one year</b>			
	Trade debtors		97,978	987,390
	Other debtors		11,728	3,848
	Prepayments and accrued income		<u>163</u>	<u>538</u>
			<u>109,869</u>	<u>991,776</u>
10	<b>Creditors: amounts falling due within one year</b>			
	Bank overdraft		-	283,111
	Due to members		26,577	33,388
	Trade creditors		295,056	198,215
	Corporation tax		8,708	3,772
	Dated loan stock		<u>72,093</u>	<u>57,692</u>
			<u>402,434</u>	<u>576,178</u>

# HOLBEACH MARSH CO-OPERATIVE LIMITED

## NOTES ON ACCOUNTS

31st May 1999

	1999 £	1998 £		
11 Creditors: amounts falling due after more than one year				
Dated loan stock	60,879	132,972		
Acreage loans	<u>30,848</u>	<u>30,848</u>		
	<u>91,727</u>	<u>163,820</u>		
Dated loan stock				
Amounts fall due on the dated loan stock as follows:				
In one year or less	72,093	57,692		
Between one and two years	60,879	72,093		
Between two and five years	<u>-</u>	<u>60,879</u>		
	<u>132,972</u>	<u>190,664</u>		
Acreage loans				
Amounts falling due as follows:-				
Over five years	<u>30,848</u>	<u>30,848</u>		
12 Reconciliation of shareholders' funds				
(Loss)/profit for the financial year	(85,693)	114,715		
Opening shareholders' funds	<u>537,820</u>	<u>423,105</u>		
Closing shareholders' funds	<u>452,127</u>	<u>537,820</u>		
13 Called up share capital				
	Authorised		Allotted called up and fully paid	
	1999	1998	1999	1998
	No.	No.	No.	No.
Ordinary shares of £600 each	<u>30</u>	<u>30</u>	<u>22</u>	<u>22</u>
	£	£	£	£
Ordinary shares of £600 each	<u>18,000</u>	<u>18,000</u>	<u>13,200</u>	<u>13,200</u>

# HOLBEACH MARSH CO-OPERATIVE LIMITED

## NOTES ON ACCOUNTS

31st May 1999

	Total £	Members Retention £	Non- Members £
<b>14 Profit and loss account</b>			
Balance brought forward	522,926	497,716	25,210
Retained loss for the year	(85,693)	(118,782)	33,089
Balance carried forward	<u>437,233</u>	<u>378,934</u>	<u>58,299</u>

### 15 Related parties

The following directors are also directors on behalf of whom the company traded peas during the year.

D. C. Cave	C.W. Cave (Terrington) Limited
D. Newling	J.M. Newling & Son Limited
D.J.T. Piccaver	J. E. Piccaver & Co (Gedney Marsh)
M.P. Tinsley	P.C. Tinsley Limited
A.G. West	A..H. West & Son
A.J.L. Worth	A.H. Worth & Co Limited

The peas sold on behalf of the above businesses amounted in total to £244,756 (1998 £224,531). At the year end the balance outstanding was £Nil (1998 £Nil).

Holbeach Marsh Co-operative Limited and QV Foods Limited are related since A.H. Worth & Co. Limited has an interest in Holbeach Marsh Co-operative Limited and owns 100% of QV Foods Limited's share capital.

During the year Holbeach Marsh Co-operative Limited paid overheads amounting to £55,314 (1998 £80,000) to QV Foods Limited. At the year end the company owed Q V Foods Limited £78,780 (1998 £23,467).

During the year Holbeach Marsh Co-operative Limited paid overheads amounting to £9,296 (1998 £Nil) to A. H. Worth & Co Limited. At the year end the company owed A. H. Worth & Co Limited £9,296 (1998 £Nil).