

Holbeach Marsh Co-operative Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2008

Company Registration Number 2880419



Holbeach Marsh Co-operative Limited

DIRECTORS AND OFFICERS

DIRECTORS

D J T Piccaver – Chairman

R C Thompson – Vice Chairman

D H Newling

J L Symington

M P Tinsley

D R Worth

SECRETARY

R J Fitzpatrick

REGISTERED OFFICE

Fleet Estate Office

Manor Farm

Holbeach Hum

Holbeach

Lincs

PE12 8LR

ACCOUNTANTS

Duncan & Toplis

Enterprise Way

Pinchbeck

Spalding

Lincolnshire

PE11 3YR

Holbeach Marsh Co-operative Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Holbeach Marsh Co-operative Limited for the year ended 31 May 2008.

PRINCIPAL ACTIVITY

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

REVIEW OF THE BUSINESS

The 2007 season was extremely disappointing in terms of crop yield and therefore grower returns. The move to a new customer went very smoothly and the availability of more than one site proved to be very beneficial in times of harvest pressure. The business continued to target the premium petits pois market, thereby utilising its main asset, light silt soils. The market for frozen peas has seen a slight upturn during the year while stocks remain low. However, even in these circumstances HMC is still experiencing pressure on prices paid by retailers and thus by the processors. The business will continue to make changes internally and in conjunction with its customers in order to maximise returns to the members.

PROFIT, DIVIDENDS AND APPROPRIATIONS

	£
Profit for the year after taxation	218,518
Less:- Retentions repaid/ repayable	<u>(265,501)</u>
Retained loss for the year	<u>(47,303)</u>

FIXED ASSETS

The movement on fixed assets are detailed in note 4 to the accounts.

DIRECTORS

The following directors have held office since 1 June 2007.

D H Newling,
D J T Piccaver,
J L Symington,
R C Thompson,
M P Tinsley
D R Worth

R C Thompson and M P Tinsley retire by rotation and being eligible offer themselves for re-election.

Holbeach Marsh Co-operative Limited

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, either directly or through the farming business they represent, were as follows:-

	Ordinary shares of £600 each	
	31.05.08	31.05.07
D H Newling	1	1
D J T Piccaver	1	1
J L Symington	1	1
R C Thompson	1	1
M P Tinsley	1	1
D R Worth	1	1

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

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

On behalf of the board



Chairman

24.10.08

Date

Holbeach Marsh Co-operative Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 May 2008.

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgement and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d. 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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT ACCOUNTANTS TO THE SHAREHOLDERS OF HOLBEACH MARSH CO-OPERATIVE LIMITED

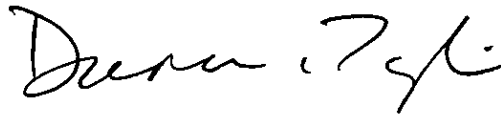
In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 May 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31 May 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Duncan & Toplis
Registered Auditor
Chartered Accountants
Enterprise Way
Spalding
Lincs
PE11 3YR

Date 24/10/08

Holbeach Marsh Co-operative Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2008

	Note	2008 £	2007 £
THROUGHPUT		1,253,645	1,857,312
Paid and payable for produce		<u>(371,340)</u>	<u>(826,493)</u>
INCOME		882,305	1,030,819
Operational levies		94,664	82,491
Grant income		93,733	102,206
Grant amortisation		<u>-</u>	<u>71,103</u>
		1,070,702	1,286,619
EXPENSES			
Direct		676,624	957,042
Overheads		<u>173,808</u>	<u>103,062</u>
		<u>(850,432)</u>	<u>(1,060,104)</u>
OPERATING PROFIT	1	220,270	226,515
Interest payable	2	(18,903)	(14,564)
Interest receivable		<u>30,834</u>	<u>15,017</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		232,201	226,968
Taxation	3	<u>(14,003)</u>	<u>(2,878)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	218,198	224,090
Retentions repayable	11	<u>(265,501)</u>	<u>(44,514)</u>
RETAINED (LOSS)/ PROFIT FOR THE YEAR		<u>(47,303)</u>	<u>179,576</u>

The operating profit for the year arises from the company's continuing operations.

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

31 May 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	4	316,283	163,541
Investments	5	<u>25</u>	<u>25</u>
		<u>316,308</u>	<u>163,566</u>
CURRENT ASSETS			
Stocks	6	189,715	76,506
Debtors	7	179,321	178,730
Cash at bank and in hand		<u>1,163,188</u>	<u>755,310</u>
		<u>1,532,224</u>	<u>1,010,546</u>
CREDITORS			
Amounts falling due within one year	8	(915,251)	(272,128)
Net current assets		<u>616,973</u>	<u>738,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		933,281	901,984
CREDITORS			
Amounts falling due after more than one year	9	(126,600)	(48,000)
		<u>806,681</u>	<u>853,984</u>
CAPITAL AND RESERVES			
Share capital	10	18,600	18,600
Other reserves	11	4,694	4,694
Reserves	11	<u>783,387</u>	<u>830,690</u>
Total shareholders' funds	12	<u>806,681</u>	<u>853,984</u>

Holbeach Marsh Co-operative Limited

BALANCE SHEET

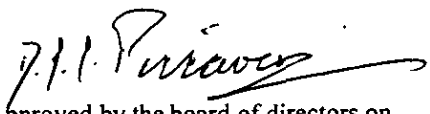
31 May 2008

The Company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 May 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.


Approved by the board of directors on 24/10/08.

Holbeach Marsh Co-operative Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

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

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

The annual rates used are:

Plant and equipment	5 year straight line basis
Office equipment	3 year straight line basis
Computer equipment	3 year straight line basis
Building improvements	20 year straight line basis

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.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

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.

LEASES AND HIRE PURCHASE CONTRACTS

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease on a straight line basis.

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.

GOVERNMENT GRANTS

Government grants on capital expenditure are credited to a deferral account and are released to reserves over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate.

Holbeach Marsh Co-operative Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2008

	2008 £	2007 £
1 OPERATING PROFIT		
Operating profit is stated after charging/(crediting)		
Profit on sale of asset	<u>28,500</u>	=
Depreciation of tangible fixed assets	<u>103,257</u>	<u>103,882</u>
Directors' emoluments and due benefits	=	=
2 INTEREST PAYABLE		
Bank loans and overdraft	-	54
Other interest	-	-
Hire purchase interest	<u>18,903</u>	<u>14,510</u>
	<u>18,903</u>	<u>14,564</u>
3 TAXATION		
Corporation tax payable at 20% (2007 19%)	<u>14,003</u>	<u>2,878</u>

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

Holbeach Marsh Co-operative Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2008

4 TANGIBLE FIXED ASSETS

	Building improvements £	Computer equipment £	Office equipment £	Plant and machinery £	Total £
Cost					
31 May 2007	18,160	2,936	2,386	888,120	911,602
Additions	-	-	-	256,000	256,000
Disposals	-	-	-	(32,500)	(32,500)
31 May 2008	<u>18,160</u>	<u>2,936</u>	<u>2,386</u>	<u>1,111,620</u>	<u>1,135,102</u>
Depreciation					
31 May 2007	5,972	2,936	2,386	736,767	748,061
Charge for the year	871	-	-	102,387	103,258
Eliminated on disposal	-	-	-	(32,500)	(32,500)
31 May 2008	<u>6,843</u>	<u>2,936</u>	<u>2,386</u>	<u>806,654</u>	<u>818,819</u>
Net book amount					
31 May 2008	<u>11,317</u>	<u>-</u>	<u>-</u>	<u>304,966</u>	<u>316,283</u>
31 May 2007	<u>12,188</u>	<u>-</u>	<u>-</u>	<u>151,353</u>	<u>163,541</u>

Included within the net book amount of £316,283 is £300,800 (2007 £144,000) relating to plant and machinery held under hire purchase agreements. The depreciation charge in the accounts for the year in respect of such assets amounts to £99,200 (2007 £48,000).

	2008 £	2007 £
5 FIXED ASSET INVESTMENTS		
Unlisted investment at cost		
The Federation of Agricultural Co-operatives (U.K.) Limited	<u>25</u>	<u>25</u>
6 STOCKS		
Prepaid 2008 Harvest expenses	<u>189,715</u>	<u>76,506</u>
7 DEBTORS		
Due within one year:		
Trade debtors	161,692	-
Other debtors	5,099	2,699
Prepayments and accrued income	<u>12,530</u>	<u>176,031</u>
	<u>179,321</u>	<u>178,730</u>

Holbeach Marsh Co-operative Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2008

	2008	2007		
	£	£		
8 CREDITORS: Amounts falling due within one year				
Due to members	213,703	148,226		
Trade creditors	315,387	36,229		
Finance leases and hire purchase contracts	90,200	61,200		
Corporation tax	14,003	2,878		
Other taxes	1,657	9,206		
Accruals	279,740	13,828		
Retention equalisation loan	<u>561</u>	<u>561</u>		
	<u>915,251</u>	<u>272,128</u>		
9 CREDITORS: Amounts falling due after more than one year				
Finance leases and hire purchase contracts	<u>126,600</u>	<u>48,000</u>		
Finance leases and hire purchase contracts Amounts falling due as follows:-				
In one year or less	90,200	61,200		
Between one and five years	<u>126,600</u>	<u>48,000</u>		
	<u>216,800</u>	<u>109,200</u>		
10 SHARE CAPITAL				
Authorised:				
40 ordinary shares of £600 each	<u>24,000</u>	<u>24,000</u>		
Allotted, issued and fully paid				
31 ordinary shares of £600 each	<u>18,600</u>	<u>18,600</u>		
11 RESERVES				
	Total	Members	Grants	Non-
	£	Retention	Received	Members
		£	£	£
Balance brought forward	830,690	217,650	443,856	169,184
Current year retention	218,198	69,030	93,733	55,435
Repayment of retentions	<u>(265,501)</u>	<u>(150,944)</u>	<u>(114,557)</u>	<u>-</u>
Balance carried forward	<u>783,387</u>	<u>135,736</u>	<u>423,032</u>	<u>224,619</u>
Share Premium account				£
31 May 2007 and 2008				<u>4,694</u>

Holbeach Marsh Co-operative Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2008

	2008 £	2007 £
12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
(Loss)/ profit for the financial year	<u>(47,303)</u>	<u>179,576</u>
Net (deduction)/ addition to shareholders' funds	(47,303)	179,576
Opening shareholders' funds	<u>853,984</u>	<u>674,408</u>
Closing shareholders' funds	<u>806,681</u>	<u>853,984</u>

13 RELATED PARTIES

The following directors are also directors of member companies on behalf of whom Holbeach Marsh Co-operative Limited traded peas during the year.

D H Newling	J M Newling & Son Limited
D J T Piccaver	J E Piccaver & Co (Gedney Marsh)
J L Symington	L Symington (Farms) Limited
R C Thompson	George Thompson (Farms) Limited
M P Tinsley	P C Tinsley Limited
D R Worth	A H Worth & Co Limited

The peas sold on behalf of the above businesses amounted in total to £123,118 (2007 £372,229). At the year end the balance outstanding was £4,940 (2007 £27,051).

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 £3,000 (2007 £3,000) to QV Foods Limited. At the year end the company owed QV Foods Limited £3,000 (2007 £3,000).