

COMPANY N.º 03066977

**APOL SILVA & ORCHARDS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

TUESDAY



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FOR THE YEAR ENDED 31 DECEMBER 2009**

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**APOL SILVA & ORCHARDS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**DIRECTORS:**

A W O'Leary  
P R O'Leary

**SECRETARY:**

P R O'Leary

**REGISTERED OFFICE:**

24 High Street  
Saffron Walden  
Essex  
CB10 1AX

**REGISTERED NUMBER:**

03066977 (England and Wales)

**AUDITORS:**

THP Limited  
Chartered Accountants  
and Registered Auditors  
34-40 High Street  
Wanstead  
London  
E11 2RJ

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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The directors present their report with the financial statements of the company for the year ended 31 December 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property investment and apple production

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

A W O'Leary  
P R O'Leary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

 **ON BEHALF OF THE BOARD**

A W O'Leary - Director

25 November 2010

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF APOL SILVA & ORCHARDS LIMITED**

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We have audited the financial statements of Apol Silva & Orchards Limited for the year ended 31 December 2009 on pages four to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies regime.

Christopher Johnson FCA (Senior Statutory Auditor)  
for and on behalf of THP Limited  
Chartered Accountants  
and Registered Auditors  
34-40 High Street  
Wanstead  
London  
E11 2RJ

25 November 2010

**APOL SILVA & ORCHARDS LIMITED (REGISTERED NUMBER: 03066977)****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £	2008 £
<b>TURNOVER</b>		<b>1,104,712</b>	1,395,574
Cost of sales		<b>222,915</b>	208,310
<b>GROSS PROFIT</b>		<b>881,797</b>	1,187,264
Administrative expenses		<b>510,050</b>	399,610
<b>OPERATING PROFIT</b>	2	<b>371,747</b>	787,654
Interest receivable and similar income		<b>41</b>	3,088
		<b>371,788</b>	790,742
Interest payable and similar charges		<b>339,709</b>	480,098
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>32,079</b>	310,644
Tax on profit on ordinary activities	3	<b>(1,308)</b>	134,673
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>33,387</b>	175,971

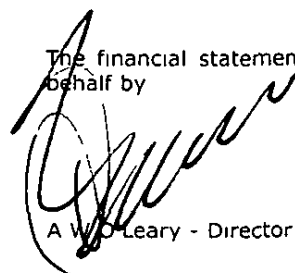
The notes form part of these financial statements

**BALANCE SHEET**  
**31 DECEMBER 2009**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	4	13,598,530	13,691,479
<b>CURRENT ASSETS</b>			
Stocks		8,684	-
Debtors	5	228,778	150,436
Cash at bank		302,314	149,816
		539,776	300,252
<b>CREDITORS</b>			
Amounts falling due within one year	6	1,775,541	1,623,426
<b>NET CURRENT LIABILITIES</b>		(1,235,765)	(1,323,174)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,362,765	12,368,305
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	(5,936,400)	(5,994,992)
<b>PROVISIONS FOR LIABILITIES</b>	9	(81,206)	(61,541)
<b>NET ASSETS</b>		6,345,159	6,311,772
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Revaluation reserve	11	4,109,648	4,127,874
Profit and loss account	11	2,235,509	2,183,896
<b>SHAREHOLDERS' FUNDS</b>		6,345,159	6,311,772

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 25 November 2010 and were signed on its behalf by



A. W. O'Leary - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

**Turnover**

Turnover represents rents and service charges receivable and the sale of apples and apple juice

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Orchard	- 10% on cost
Leasehold Improvements	- 5% on cost
Plant and machinery	- 25% on cost
Fixtures, fittings & equipment	- 25% on cost

In accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), investment properties are revalued annually and the aggregate surplus or deficit is transferred to the Revaluation Reserve. Accordingly no depreciation is provided in respect of investment properties. The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the Financial Reporting Standard for Smaller Entities (effective April 2008). The directors consider that as investment properties are not for consumption but for investment, to depreciate them would not give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation on the revalued properties of £266,344 (2008 £266,344) assuming a depreciation rate of 2% per annum.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation - owned assets	34,460	39,671
Loss/(Profit) on disposal of fixed assets	58,489	(75,390)
Auditors' remuneration	6,000	5,000
Rent receivable in respect of operating leases - property	(957,509)	(1,172,824)
Directors' remuneration and other benefits etc	-	-



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009

3 TAXATION

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2009 £	2008 £
Current tax		
UK corporation tax	11,710	102,965
Over provision in prior years	(32,683)	-
Total current tax	(20,973)	102,965
Deferred tax		
Transfer to/(from) deferred tax	19,665	31,708
Tax on profit on ordinary activities	(1,308)	134,673

4 TANGIBLE FIXED ASSETS

	Investment properties £	Orchard £	Leasehold Improvements £
<b>COST</b>			
At 1 January 2009	13,317,183	48,269	365,030
Disposals	(58,489)	-	-
At 31 December 2009	13,258,694	48,269	365,030
<b>DEPRECIATION</b>			
At 1 January 2009	-	19,304	41,279
Charge for year	-	4,826	18,253
Eliminated on disposal	-	-	-
At 31 December 2009	-	24,130	59,532
<b>NET BOOK VALUE</b>			
At 31 December 2009	13,258,694	24,139	305,498
At 31 December 2008	13,317,183	28,965	323,751

	Plant and machinery £	Fixtures, fittings & equipment £	Totals £
<b>COST</b>			
At 1 January 2009	117,935	18,758	13,867,175
Disposals	(82,935)	-	(141,424)
At 31 December 2009	35,000	18,758	13,725,751
<b>DEPRECIATION</b>			
At 1 January 2009	98,987	16,126	175,696
Charge for year	8,749	2,632	34,460
Eliminated on disposal	(82,935)	-	(82,935)
At 31 December 2009	24,801	18,758	127,221
<b>NET BOOK VALUE</b>			
At 31 December 2009	10,199	-	13,598,530
At 31 December 2008	18,948	2,632	13,691,479

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**4 TANGIBLE FIXED ASSETS - continued**

The investment properties were valued as at 30 November 2005, by qualified professional valuers working for the company of Glenny LLP, Chartered Surveyors, acting in the capacity of external valuers. The properties were valued on the basis of open market value. The valuation was carried out in accordance with the RICS Appraisal and Valuation Standards. The Directors consider that these valuations remain current as at 31 December 2009.

The historical cost of the investment properties is £9,149,046

**5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Trade debtors	47,612	43,295
Amounts owed by related companies	153,003	24,677
Other debtors	-	4,056
Prepayments and accrued income	28,163	78,408
	<u>228,778</u>	<u>150,436</u>

**6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Bank loans and overdraft	601,495	513,496
Trade creditors	37,884	208,803
Amounts owed to related companies	-	103,921
Corporation tax	114,676	132,536
VAT	76,373	33,371
Other creditors	25,000	25,000
Directors' loan account	260,784	181,956
Deferred income	126,098	32,026
Accruals	533,231	392,317
	<u>1,775,541</u>	<u>1,623,426</u>

**7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2009	2008
	£	£
Bank loans -1 to 2 years	548,552	421,202
Bank loans -2 to 5 years	1,628,156	1,263,606
Bank loans over 5 years	3,759,692	4,310,184
	<u>5,936,400</u>	<u>5,994,992</u>

Amounts falling due in more than five years

Repayable by instalments		
Bank loans over 5 years	<u>3,759,692</u>	<u>4,310,184</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**8 SECURED DEBTS**

The following secured debts are included within creditors

	2009 £	2008 £
Bank overdrafts	52,943	1,914
Bank loans	6,484,952	6,506,574
	<u>6,537,895</u>	<u>6,508,488</u>

The following security is in place

All monies debenture granted over the whole assets of the Company

Cross Corporate Guarantee of £1,200,000 between the Company and a third party

First Legal Charges over Units 2-5 & 6, 240 Freshwater Road, Essex and Land on the South East side of Menzies Road, Dover

**9 PROVISIONS FOR LIABILITIES**

	2009 £	2008 £
Deferred tax		
Accelerated capital allowances	81,206	61,541
		<b>Deferred tax</b>
		£
Balance at 1 January 2009		61,541
Transfer from reserves		19,665
Balance at 31 December 2009		<u>81,206</u>

**10 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value £1	2009 £	2008 £
2	Ordinary		2	2

**11 RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2009	2,183,896	4,127,874	6,311,770
Profit for the year	33,387		33,387
Revaluation surplus	18,226	(18,226)	-
At 31 December 2009	<u>2,235,509</u>	<u>4,109,648</u>	<u>6,345,157</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**12 RELATED PARTY DISCLOSURES**

During the year, the company had the following transactions with Pass J Holdings Limited, a company under common control

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Rent receivable	<b>437,712</b>	607,012
Service charges receivable	<b>9,989</b>	14,530
Management charges payable	<b>175,000</b>	125,828
Balance due from (to) Pass J Holdings Limited	<b>141,891</b>	(103,921)

During the year, the company had the following transactions with Mike Beer Transport Limited, a company also under common control

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Rent receivable	<b>287,833</b>	359,000
Service charges receivable	<b>4,454</b>	-
Balance due from Mike Beer Transport Limited	<b>11,112</b>	24,677

The Company has guaranteed a £1,200,000 bank facility for the benefit of Pass J Holdings Limited and Mike Beer Transport Limited

At the year end, the company owed £260,784 to A W & P R O'Leary, the directors of the company (2008 £181,956)

**13 ULTIMATE CONTROLLING PARTY**

The company is under the control of the directors, A W & P R O'Leary