

**Balmano Farms Limited**

**Annual report  
for the year ended 30 November 1999**

**Registered no: 62216**



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# **Balmanno Farms Limited**

## **Annual report for the year ended 30 November 1999**

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**Balmanno Farms Limited****Directors and advisers****Directors**

J E Bruce  
C S R Stroyan

**Secretary**

T Rattray (resigned 1 March 2000)  
Brodies WS

**Registered auditors**

Reeves and Neylan  
4 Atholl Crescent  
Perth  
PH1 5NG

**Solicitors**

Brodies WS  
15 Atholl Crescent  
Edinburgh  
EH3 8HA

**Bankers**

Royal Bank of Scotland plc  
Perth Chief Office  
12 Dunkeld Road  
Perth  
PH1 5RB

**Registered office**

Balmanno  
Bridge of Earn  
Perthshire  
PH2 9HG

## Balmanno Farms Limited

### Report of the directors for the year ended 30 November 1999

The directors present their report and the audited financial statements for the year ended 30 November 1999. The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

#### Results and dividends

The loss for the year, after taxation, amounted to £38,628 (1998 loss £15,659). The directors do not recommend the payment of any dividend.

#### Review of the business

The company traded as farmers and will continue to do so for the foreseeable future.

#### Fixed assets

The movements in fixed assets during the year are set out in note 7 to the financial statements.

#### Directors and their interests

The directors at 30 November 1999 and their interests in the share capital of the company, were as follows:-

	1999	1998
C S R Stroyan	1	1
J E Bruce	-	-

#### Directors' responsibilities

The directors are required by UK company law 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, the directors are required to:

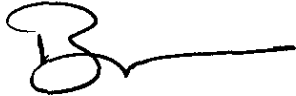
- \* select suitable accounting policies and then apply them consistently
- \* make judgements and estimates that are reasonable and prudent
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 Companies Act 1985. 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.

**Balmanno Farms Limited****Report of the directors  
for the year ended 30 November 1999****Auditors**

A resolution to re-appoint Messrs Reeves & Neylan as auditors will be proposed at the annual general meeting.

**By order of the board**

A handwritten signature in black ink, consisting of a stylized capital 'B' followed by a horizontal line that tapers to the right.

**Brodies WS**  
Secretary  
10 May 2000

**Balmanno Farms Limited****Report of the auditors  
for the year ended 30 November 1999**

We have audited the financial statements on pages 5 to 12 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.

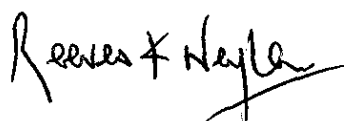
**Basis of opinion**

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 at 30 November 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Reeves & Neylan**  
**Chartered Accountants and Registered Auditors**  
Perth  
10 May 2000

**Balmanno Farms Limited****Profit and loss account  
for the year ended 30 November 1999**

	Note	1999 £	1998 £
Turnover	1	520,219	559,171
Cost of sales		<u>303,104</u>	<u>310,375</u>
Gross profit		217,115	248,796
Operating expenses	2	<u>253,909</u>	<u>260,350</u>
Operating loss	3	(36,794)	(11,554)
Interest payable	5	<u>1,834</u>	<u>4,105</u>
Loss for the year		<u>(38,628)</u>	<u>(15,659)</u>

All amounts relate to continuing activities.

The accounting policies and notes on pages 7 to 12 form part of the financial statements.

# Balmanno Farms Limited

## Balance sheet at 30 November 1999

	Note	1999 £	£	1998 £	£
<b>Fixed assets</b>					
Tangible assets	7	138,352		123,384	
Breeding herd and flock	8	267,314		239,780	
Investments	9	570		555	
		<u>406,236</u>		<u>363,719</u>	
<b>Current assets</b>					
Stocks	10	226,046		234,894	
Debtors	11	62,303		148,290	
Cash in hand		155		5,524	
		<u>288,504</u>		<u>388,708</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>401,571</u>		<u>433,616</u>	
<b>Net current liabilities</b>			<u>(113,067)</u>		<u>(44,908)</u>
<b>Total assets less current liabilities</b>			<u>293,169</u>		<u>318,811</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>605,382</u>		<u>592,396</u>
			<u>(312,213)</u>		<u>(273,585)</u>
<b>Represented By:-</b>					
Called up share capital	17	100		100	
Profit and loss account	18	(312,313)		(273,685)	
			<u>(312,213)</u>		<u>(273,585)</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities, were approved by the board of directors on 10 May 2000 and signed on their behalf by:



**J E Bruce**  
Director

The accounting policies and notes on pages 7 to 12 form part of the financial statements.



## **Balmanno Farms Limited**

### **Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

These financial statements are prepared in accordance with the historical cost convention.

#### **Depreciation**

The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Tenants' improvements	10
Tractors	25
Motor vehicles	25
Plant and equipment	10-25

#### **Leasing and hire purchase commitments**

Assets acquired under finance lease and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives on the same basis as owned assets or the period of the lease where this is shorter. The interest element of the rental obligations is charged to the profit and loss account over the period of the agreement.

#### **Breeding herd and flock**

The breeding herd and flock are stated at cost, if bought in, and at estimated production cost if home bred.

#### **Stocks and valuation**

Stocks are stated at the lower of cost of production and net realisable value.

#### **Deferred taxation**

Provision is made for deferred tax, using the liability method, on all material timing differences to the extent that it is probable that the liability will crystallise.

#### **Pension**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **EU agricultural support schemes**

Payments received under EU crop support schemes are recognised as income when the business meets all the criteria which entitle it to the payments, with the exception of payments under the Arable Area Payments Scheme.

Payments received under this scheme, including the related set-aside payments, are regarded as being an addition to crop proceeds and as such, they are recognised as income arising at the time of sale of the appropriate crop.

Payments received under EU livestock support schemes are recognised as income when the business has met all the criteria which entitle it to the income.

# Balmanno Farms Limited

## Notes to the financial statements for the year ended 30 November 1999

### 1 Turnover

Turnover represents the invoiced amount of goods and services sold and is exclusive of value added tax.

### 2 Operating expenses

	1999 £	1998 £
Operating costs	158,728	167,451
Administration expenses	95,181	92,899
	<u>253,909</u>	<u>260,350</u>

### 3 Operating loss

Operating loss is stated after charging:

	1999 £	1998 £
Directors' remuneration (including benefits)	983	983
Auditors' remuneration	4,595	3,800
Depreciation (including gain/loss on sale of fixed assets)	<u>30,251</u>	<u>30,132</u>

### 4 Staff costs

Wages and salaries	95,942	103,022
Social security costs	10,257	11,018
Other pension costs	1,164	1,119
	<u>107,363</u>	<u>115,159</u>

### 5 Interest payable

	1999 £	1998 £
Hire purchase and finance lease interest	200	1,011
Other interest	1,634	3,094
	<u>1,834</u>	<u>4,105</u>

### 6 Tax on loss on ordinary activities

There is no taxation payable on the results of the company for 1999 (1998 - £nil).

# Balmanno Farms Limited

## Notes to the financial statements for the year ended 30 November 1999

### 7 Tangible fixed assets

	Tenants' Improvements £	Tractors £	Motor vehicles £	Plant and equipment £	Total
<b>Cost</b>					
At 1 December 1998	33,894	49,852	21,085	311,025	415,856
Additions	3,766	18,500	3,075	33,229	58,570
Disposals	-	23,000	3,586	6,500	33,086
<b>At 30 November 1999</b>	<b>37,660</b>	<b>45,352</b>	<b>20,574</b>	<b>337,754</b>	<b>441,340</b>
<b>Depreciation</b>					
At 1 December 1998	10,114	35,980	14,091	232,287	292,472
Charge for year	2,755	3,984	2,324	22,592	31,655
Disposals	-	14,678	2,759	3,702	21,139
<b>At 30 November 1999</b>	<b>12,869</b>	<b>25,286</b>	<b>13,656</b>	<b>251,177</b>	<b>302,988</b>
<b>Written down value</b>					
At 30 November 1999	24,791	20,066	6,918	86,577	138,352
At 30 November 1998	23,780	13,872	6,994	78,738	123,384

Included above are the following amounts relating to assets acquired under finance lease and hire purchase contracts:-

	Tractors £	Plant and equipment £
<b>Cost</b>	18,500	8,000
<b>Depreciation</b>	1,156	333

### 8 Breeding herd and flock

	1999 £	1998 £
Pedigree herd	21,410	9,000
Cattle	165,725	159,000
Sheep	80,179	71,780
	<b>267,314</b>	<b>239,780</b>

**Balmanno Farms Limited****Notes to the financial statements  
for the year ended 30 November 1999**

<b>9 Investments</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
Tayforth Marketing £1 shares	500	500
Highland Glen Producers £1 shares	5	5
Perthshire Machinery Ring	50	50
United Oilseeds	15	-
	<u>570</u>	<u>555</u>
<b>10 Stocks</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Cattle and sheep	106,234	94,194
Crops	53,743	66,263
Fertilisers and sprays	25,813	21,577
Feeding stuffs	24,834	41,967
Game	12,284	7,755
Miscellaneous	3,138	3,138
	<u>226,046</u>	<u>234,894</u>
<b>11 Debtors</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade debtors	53,397	126,906
Other debtors and prepayments	8,906	21,384
	<u>62,303</u>	<u>148,290</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Bank overdraft	250,745	273,182
Trade creditors	88,536	113,378
Accruals and deferred income	56,576	44,201
Other taxes and social security costs	2,568	2,855
Obligations under hire purchase contracts (note 14)	3,146	-
	<u>401,571</u>	<u>433,616</u>

The bank overdraft is supported by a guarantee of £275,000 by the holding company Streetfield Property Company, who have also signed a letter of postponement for all monies due by Balmanno Farms Limited.

**Balmanno Farms Limited****Notes to the financial statements  
for the year ended 30 November 1999****13 Creditors: amounts falling due after more than one year**

	1999 £	1998 £
Amounts due to holding company	592,396	592,396
Hire purchase obligations	12,986	-
	<u>605,382</u>	<u>592,396</u>

All finance lease obligations are payable within five years.

**14 Obligations under finance lease and hire purchase contracts**

	1999 £	1998 £
Less than one year	4,452	-
Between 1 and 2 years	14,978	-
	<u>19,430</u>	<u>-</u>
Less: finance charges allocated to future periods	3,298	-
	<u>16,132</u>	<u>-</u>
Disclosed as:-		
Current obligations	3,146	-
Non-current obligations	12,986	-
	<u>16,132</u>	<u>-</u>

**15 Creditors**

The major creditor is the parent company and the directors have given their assurances that the interests of other creditors would be settled before the interest of the parent company.

**16 Deferred taxation**

No provision for deferred tax is required due to tax losses.

# Balmanno Farms Limited

## Notes to the financial statements for the year ended 30 November 1999

<b>17 Called up share capital</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
250,000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>18 Profit and loss account</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Balance at 1 December 1998	(273,685)	(258,026)
Loss for the year	<u>(38,628)</u>	<u>(15,659)</u>
<b>Balance at 30 November 1998</b>	<u><b>(312,313)</b></u>	<u><b>(273,685)</b></u>
<b>19 Reconciliation of shareholders funds</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Balance at 1 December 1998	(273,585)	(257,926)
Loss for the year	<u>(38,628)</u>	<u>(15,659)</u>
<b>Balance at 30 November 1999</b>	<u><b>(312,213)</b></u>	<u><b>(273,585)</b></u>

### 20 Pension contributions

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The cost of the contributions to the defined contribution scheme was £1,164.

### 21 Ultimate holding company

The ultimate holding company is Streetfield Property Company, an unlimited company registered in Scotland.

### 22 Related party transactions

During the year, an administration fee of £5,000 was charged and equipment was sold for £4,000 to Bruce Countryside Developments Limited, a company in which J E Bruce is also a director. Contract work of £62,772 was purchased from Bruce Countryside Developments Limited. An amount of £6,110 was due to Bruce Countryside Developments Limited at the year end.

During the year transactions were undertaken with Streetfield Property Company, the holding company of Balmanno Farms Limited. Administration fees of £1,500 were charged to Streetfield Property Company as well as gardening fees and property repairs to the value of £14,677. A farm rent of £31,000 was paid to Streetfield Property Company. No balances were outstanding at the year end.