

178738

REG' D AR

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003**



Winn & Co  
Chartered Accountants  
& Registered Auditors  
62/63 Westborough  
Scarborough  
North Yorkshire  
YO11 1TS

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**DIRECTORS:**

Major J H R Shaw (deceased 26 December 2002)  
Mr J H Russell  
Mr H E Shaw  
Major J Shaw (appointed 19 March 2003)  
Mr W G P Shaw (appointed 19 March 2003)  
Mr T P Russell  
Mr R N Whitehead  
Mr C J Morley  
Mr J R Archer

**SECRETARY:**

Mr R N Whitehead

**REGISTERED OFFICE:**

The Works  
Kirkbymoorside  
York  
YO62 6DJ

**REGISTERED NUMBER:**

178738 (England and Wales)

**AUDITORS:**

Winn & Co  
Chartered Accountants  
& Registered Auditors  
62/63 Westborough  
Scarborough  
North Yorkshire  
YO11 1TS

## **RUSSELL'S (KIRBYMOORSIDE) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2003**

The directors present their report with the financial statements of the company for the year ended 31 October 2003.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of retailing and servicing of agricultural machinery and there has been no significant change during the year.

The directors are pleased to report the continuation of profitable trading.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company's profit for the year, before taxation, amounted to £200,691 (2002 - £221,438).

During the course of the year the company acquired the agricultural division of R Yates & Sons Limited.

#### **DIVIDENDS**

The directors recommend that a final dividend of 15 pence per share (2002 - 15 pence per share) be paid on the shares in issue amounting to £16,500 (2002 - £16,500).

#### **FIXED ASSETS**

The changes in the fixed assets are disclosed in note 7 to the accounts.

#### **FUTURE DEVELOPMENTS**

The company is not anticipating any major changes in its activities.

#### **DIRECTORS**

The directors who served during the year are as shown on page one.

The beneficial interests of the directors holding office on 31 October 2003 in the issued share capital of the company were as follows:

	31.10.03	31.10.02 or date of appointment if later
Mr H E Shaw	15,354	15,354
Major J Shaw	15,500	15,500
Mr W G P Shaw	15,500	15,500
Mr J H Russell	12,886	15,886
Mr T P Russell	3,000	-
Mr R N Whitehead	-	-
Mr C J Morley	-	-
Mr J R Archer	-	-

Trustee holdings:

J R Archer and R N Whitehead	20,000	20,000
J R Archer and H E Shaw as executors of E M O Shaw deceased	1,186	1,186
J R Archer and H E Shaw as executors of Major J H R Shaw deceased	8,666	8,666

#### **CLOSE COMPANY STATUS**

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988. There has been no change in this position since the year end.

#### **EVENTS SINCE THE END OF THE YEAR**

No important events have taken place since the year end which affect the company's trading position or its development.

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**INSURANCE**

The company has purchased directors' and officers' liability insurance on behalf of the directors at a cost of £2,205 (2002 - £2,250).

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

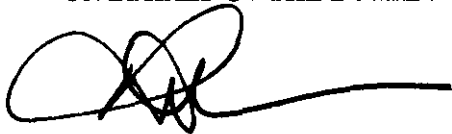
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**AUDITORS**

The auditors, Winn & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'R N Whitehead', with a long horizontal line extending to the right.

Mr R N Whitehead - Secretary

27th February 2004

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF RUSSELL'S (KIRBYMOORSIDE) LIMITED**

We have audited the financial statements of Russell's (Kirbymoorside) Limited for the year ended 31 October 2003 on pages five to nineteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 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 described on pages two and three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 as at 31 October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Winn & Co  
Chartered Accountants  
& Registered Auditors  
62/63 Westborough  
Scarborough  
North Yorkshire  
YO11 1TS

4th March 2004

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2003**

		<u>2003</u>	<u>2002</u>
	Notes	£	£
<b>TURNOVER</b>		11,752,595	10,149,249
Cost of sales		<u>9,875,020</u>	<u>8,480,841</u>
<b>GROSS PROFIT</b>		1,877,575	1,668,408
Administrative expenses		<u>1,649,722</u>	<u>1,431,046</u>
<b>OPERATING PROFIT</b>	3	227,853	237,362
Interest receivable and similar income		<u>169</u>	<u>1,803</u>
		228,022	239,165
Interest payable and similar charges	4	<u>27,331</u>	<u>17,727</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		200,691	221,438
Tax on profit on ordinary activities	5	<u>33,872</u>	<u>47,112</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		166,819	174,326
Dividends	6	<u>16,500</u>	<u>16,500</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<u><u>150,319</u></u>	<u><u>157,826</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous year.

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 OCTOBER 2003**

	<u>2003</u>	<u>2002</u>
	£	£
<b>PROFIT FOR THE FINANCIAL YEAR</b>	166,819	174,326
Removal of revaluation	<u>-</u>	<u>(83,984)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	166,819	90,342
Prior year adjustment	<u>-</u>	<u>29,055</u>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<u>166,819</u>	<u>119,397</u>

The notes form part of these financial statements

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**BALANCE SHEET  
31 OCTOBER 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		839,747		800,864
<b>CURRENT ASSETS</b>					
Stocks	8	2,579,331		1,662,579	
Debtors	9	1,862,037		1,122,801	
Cash at bank and in hand		<u>1,060</u>		<u>84,917</u>	
		4,442,428		2,870,297	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>3,085,236</u>		<u>1,580,370</u>	
<b>NET CURRENT ASSETS</b>			<u>1,357,192</u>		<u>1,289,927</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,196,939		2,090,791
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		(125,514)		(166,978)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		<u>(13,461)</u>		<u>(16,168)</u>
			<u>2,057,964</u>		<u>1,907,645</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		110,000		110,000
Profit and loss account	17		<u>1,947,964</u>		<u>1,797,645</u>
<b>SHAREHOLDERS' FUNDS</b>	22		<u>2,057,964</u>		<u>1,907,645</u>

**ON BEHALF OF THE BOARD:**



Mr J H Russell - Director

Approved by the Board on 27th February 2004

The notes form part of these financial statements



**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2003**

	Notes	2003		2002	
		£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	1		(424,007)		56,988
<b>Returns on investments and servicing of finance</b>	2		(27,162)		(15,924)
<b>Taxation</b>			(41,780)		(45,250)
<b>Capital expenditure and financial investment</b>	2		(132,133)		(89,806)
<b>Equity dividends paid</b>			<u>(16,500)</u>		<u>(16,500)</u>
			(641,582)		(110,492)
<b>Financing</b>	2		<u>(40,683)</u>		<u>(49,484)</u>
<b>(Decrease)/Increase in cash in the period</b>			<u>(682,265)</u>		<u>(159,976)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
(Decrease)/Increase in cash in the period		(682,265)		(159,976)	
Cash outflow from decrease in debt and lease financing			<u>40,683</u>		<u>49,484</u>
Change in net debt resulting from cash flows			(641,582)		(110,492)
New finance leases			<u>-</u>		<u>-</u>
<b>Movement in net debt in the period</b>			(641,582)		(110,492)
<b>Net debt at 1 November</b>			<u>(134,973)</u>		<u>(24,481)</u>
<b>Net debt at 31 October</b>			<u>(776,555)</u>		<u>(134,973)</u>

The notes form part of these financial statements

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003 £	2002 £
Operating profit	227,853	237,362
Depreciation charges	95,112	78,195
Profit on disposal of fixed assets	(1,862)	(12,092)
(Increase)/Decrease in stocks	(916,752)	(506,496)
(Increase)/Decrease in debtors	(739,236)	(4,929)
Increase/(Decrease) in creditors	<u>910,878</u>	<u>264,948</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(424,007)</u></b>	<b><u>56,988</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2003 £	2002 £
<b>Returns on investments and servicing of finance</b>		
Interest received	169	1,803
Interest paid	(25,054)	(15,218)
Interest element of hire purchase payments	<u>(2,277)</u>	<u>(2,509)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(27,162)</u></b>	<b><u>(15,924)</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(123,711)	(155,000)
Sale of tangible fixed assets	7,295	65,194
Purchase of assets on hire purchase	<u>(15,717)</u>	<u>-</u>
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<b><u>(132,133)</u></b>	<b><u>(89,806)</u></b>
<b>Financing</b>		
New loans in year	12,718	11,820
Loan repayments in year	(40,339)	(51,716)
Capital repayments in year	<u>(13,062)</u>	<u>(9,588)</u>
<b>Net cash outflow from financing</b>	<b><u>(40,683)</u></b>	<b><u>(49,484)</u></b>

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.11.02 £	Cash flow £	At 31.10.03 £
Net cash:			
Cash at bank and in hand	<u>84,917</u>	<u>(682,265)</u>	<u>(597,348)</u>
	<u>84,917</u>	<u>(682,265)</u>	<u>(597,348)</u>
Debt:			
Hire purchase	(28,192)	344	(27,848)
Debts falling due within one year	(39,850)	(1,264)	(41,114)
Debts falling due after one year	<u>(151,848)</u>	<u>41,603</u>	<u>(110,245)</u>
	<u>(219,890)</u>	<u>40,683</u>	<u>(179,207)</u>
Total	<u>(134,973)</u>	<u>(641,582)</u>	<u>(776,555)</u>

## **RUSSELL'S (KIRBYMOORSIDE) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have been consistently applied within the same accounts.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, as modified by the revaluation of land and buildings. The effects of events relating to the year ended 31 October 2003 which occurred before the date of approval of the financial statements by the Board of Directors have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 October 2003 and of the results for the year ended on that date.

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Tangible fixed assets**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives on a straight line basis as follows:

Freehold land	No depreciation
Freehold buildings	2.5% per annum
Plant and machinery	10% to 20% per annum
Fixtures, fittings and equipment	5% per annum
Motor vehicles	20% to 25% per annum

##### **Stocks**

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

##### **Deferred tax**

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

##### **Hire purchase and leasing commitments**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Interest is charged to the profit and loss account on a straight line basis over the period of the contract.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### **Pensions**

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**2. STAFF COSTS**

	2003 £	2002 £
Wages and salaries	1,203,785	1,046,391
Social security costs	109,149	86,731
Other pension costs	74,583	57,621
	<u>1,387,517</u>	<u>1,190,743</u>

An analysis of staff costs by category is shown in note 24.

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2003 £	2002 £
Depreciation - owned assets	80,416	67,596
Depreciation - assets on hire purchase contracts	14,696	10,600
Profit on disposal of fixed assets	(1,862)	(12,092)
Auditors remuneration	<u>6,950</u>	<u>6,720</u>
Directors' emoluments	<u>213,851</u>	<u>232,379</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>3</u>	<u>4</u>
-------------------------	----------	----------

Information regarding the highest paid director for the year ended 31 October 2003 is as follows:

	2003 £
Emoluments etc	69,817
Accrued pension at 31 October 2003	<u>29,028</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2003 £	2002 £
Bank interest	24,970	15,218
Other interest	84	-
Hire purchase and finance lease	<u>2,277</u>	<u>2,509</u>
	<u>27,331</u>	<u>17,727</u>

**RUSSELL'S (KIRBYMOORSIDE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2003****5. TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	37,447	42,648
Overprovision in prior year	<u>(868)</u>	<u>-</u>
Total current tax	36,579	42,648
Deferred taxation	<u>(2,707)</u>	<u>4,464</u>
Tax on profit on ordinary activities	<u><u>33,872</u></u>	<u><u>47,112</u></u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>200,691</u>	<u>221,438</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 19.41%)	38,131	42,981
Effects of:		
Expenses not deductible for tax purposes	119	773
Finance lease depreciation	(1,345)	(986)
Profit on leased asset	-	131
Capital allowances more/less than depreciation	542	(251)
Current tax charge	<u><u>37,447</u></u>	<u><u>42,648</u></u>

**6. DIVIDENDS**

	2003 £	2002 £
Equity shares:		
Final	<u>16,500</u>	<u>16,500</u>

# **RUSSELL'S (KIRBYMOORSIDE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003**

### **7. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION:</b>					
At 1 November 2002	662,873	107,665	52,571	405,208	1,228,317
Additions	-	46,344	-	93,084	139,428
Disposals	-	(5,057)	(1,963)	(37,510)	(44,530)
At 31 October 2003	<u>662,873</u>	<u>148,952</u>	<u>50,608</u>	<u>460,782</u>	<u>1,323,215</u>
<b>DEPRECIATION:</b>					
At 1 November 2002	102,905	90,813	41,693	192,042	427,453
Charge for year	13,080	10,264	1,656	70,112	95,112
Eliminated on disposal	-	(5,057)	(1,963)	(32,077)	(39,097)
At 31 October 2003	<u>115,985</u>	<u>96,019</u>	<u>41,386</u>	<u>230,078</u>	<u>483,468</u>
<b>NET BOOK VALUE:</b>					
At 31 October 2003	<u>546,888</u>	<u>52,933</u>	<u>9,222</u>	<u>230,704</u>	<u>839,747</u>
At 31 October 2002	<u>559,968</u>	<u>16,852</u>	<u>10,878</u>	<u>213,166</u>	<u>800,864</u>

Included in land and buildings is freehold land valued at £150,421 (2002 - £150,421) which is not depreciated.

The net book value of tangible fixed assets includes £43,319 (2002 - £42,298) in respect of assets held under finance lease and hire purchase contracts.

### **8. STOCKS**

	2003 £	2002 £
Work-in-progress	102,872	66,052
Finished goods	<u>2,476,459</u>	<u>1,596,527</u>
	<u>2,579,331</u>	<u>1,662,579</u>

### **9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	1,814,349	1,090,264
Other debtors	5,169	4,025
Prepayments and accrued income	<u>42,519</u>	<u>28,512</u>
	<u>1,862,037</u>	<u>1,122,801</u>

**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003	2002
	£	£
Bank loans and overdraft (see note 12)	639,522	39,850
Hire purchase contracts (see note 13)	12,579	13,062
Trade creditors	1,860,776	1,096,277
Taxation	37,447	42,648
Social security and other taxes	273,331	111,488
Proposed dividends	16,500	16,500
Accrued expenses	245,081	260,545
	<u>3,085,236</u>	<u>1,580,370</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2003	2002
	£	£
Bank loans (see note 12)	110,245	151,848
Hire purchase contracts (see note 13)	<u>15,269</u>	<u>15,130</u>
	<u>125,514</u>	<u>166,978</u>

There are two medium term bank loans. One loan is repayable in annual instalments of £20,000 with the final instalment due by April 2004. The second loan is repayable in monthly instalments with a period of 6 years remaining.

The bank loans are secured by means of a legal charge over the company's freehold properties and a debenture over the other assets and undertaking of the company.

**12. LOANS**

An analysis of the maturity of loans is given below:

	2003	2002
	£	£
Amounts falling due within one year or on demand:		
Bank overdraft	598,408	-
Bank loans	<u>41,114</u>	<u>39,850</u>
	<u>639,522</u>	<u>39,850</u>
Amounts falling due between two and five years:		
Bank loans	<u>86,000</u>	<u>106,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>24,245</u>	<u>45,848</u>



**RUSSELL'S (KIRBYMOORSIDE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2003**

**13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2003 £	2002 £
Net obligations repayable:		
Within one year	12,579	13,062
Between one and five years	<u>15,269</u>	<u>15,130</u>
	<u>27,848</u>	<u>28,192</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	2003 £	2002 £
Bank loans and overdraft	<u>749,767</u>	<u>191,698</u>

**15. PROVISION FOR LIABILITIES AND CHARGES**

	2003 £	2002 £
Deferred taxation	<u>13,461</u>	<u>16,168</u>

	Deferred tax £
Balance at 1 November 2002	16,168
Decrease in accelerated capital allowances	<u>(2,707)</u>
Balance at 31 October 2003	<u>13,461</u>

**16. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value: £1	2003 £	2002 £
150,000	Ordinary		<u>150,000</u>	<u>150,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2003 £	2002 £
110,000	Ordinary		<u>110,000</u>	<u>110,000</u>

# RUSSELL'S (KIRBYMOORSIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003

### 17. RESERVES

	Profit and loss account £
At 1 November 2002	1,797,645
Retained profit for the year	<u>150,319</u>
At 31 October 2003	<u>1,947,964</u>

### 18. PENSION COMMITMENTS

The company sponsors the Russell's (Kirbymoorside) Limited Pension and Life Assurance Plan which is a defined benefit arrangement. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 June 2002 and updated on an approximate basis to 31 October 2003.

The contributions made by the employer over the financial year have been £73,045, equivalent to approximately 13.5% of pensionable pay until January 2003 and 17% of pensionable pay thereafter. This contribution rate is to continue until reviewed following the triennial valuation of the scheme due as at 1 June 2005. As the scheme is closed to new entrants, the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

The transitional arrangements of the new accounting standard FRS17 require disclosure of assets and liabilities as at 31 October 2003 calculated in accordance with the requirements of FRS17. They also require disclosure of the items which would appear in the profit and loss account and in the statement of total recognised gains and losses were the full requirements of FRS17 in place. For the purpose of these financial statements, all of these figures are illustrative only and do not impact on the actual 31 October 2003 balance sheet or on this year's performance statement.

Assumptions : The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2003	2002
Inflation	2.75% p.a.	2.50% p.a.
Salary increases	4.00% p.a.	3.75% p.a.
Rate of discount	5.50% p.a.	5.25% p.a.
Pension in payment increase	2.75% p.a.	2.50% p.a.
Revaluation rate for deferred pensioners	2.75% p.a.	2.50% p.a.
On this basis, the illustrative balance sheet figures are as follows:		
Assets	£1,299,000	£1,165,000
Liabilities	£1,733,000	£1,472,000
Deficit/Surplus	(£434,000)	(£307,000)
The assets of the scheme:		
Equities	£1,055,000	£854,000
Bonds	£190,000	£249,000
Property	£15,000	-
Other	£39,000	£62,000
Expected long term rate return :		
Equities	7.00%	7.00%
Bonds	4.75%	4.50%
Property	7.00%	-
Cash	4.00%	4.00%

### 19. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 October 2003 or 31 October 2002.

# **RUSSELL'S (KIRBYMOORSIDE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003**

### **20. CAPITAL COMMITMENTS**

	2003 £	2002 £
Contracted but not provided for in the financial statements	<u>8,417</u>	<u>-</u>

### **21. RELATED PARTY DISCLOSURES**

During the year the company sold machinery spares, repair services and equipment to Welburn Manor Farms Limited totalling £28,065. Major J H R Shaw, a director of the company until his death on 26 December 2002 and Major J Shaw and W G P Shaw, directors of the company from 19 March 2003, were also shareholders in Welburn Manor Farms Limited. These transactions were conducted on an arms length basis. At the year end Welburn Manor Farms Limited owed the company £17,292

### **22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003 £	2002 £
Profit for the financial year	166,819	174,326
Dividends	<u>(16,500)</u>	<u>(16,500)</u>
	150,319	157,826
Other recognised gains and losses relating to the year (net)	-	(83,984)
Prior year adjustment	<u>-</u>	<u>29,055</u>
<b>Net addition to shareholders' funds</b>	150,319	102,897
Opening shareholders' funds	<u>1,907,645</u>	<u>1,804,748</u>
<b>Closing shareholders' funds</b>	<u>2,057,964</u>	<u>1,907,645</u>
Equity interests	<u>2,057,964</u>	<u>1,907,645</u>

### **23. CONTROLLING PARTY**

The company was controlled throughout the current and previous period until his death on 26 December 2002 by its director Major J H R Shaw who, together with close family and family trusts, owned 55% of the ordinary shares of the company. Thereafter, the company was controlled by Major J Shaw and W G P Shaw who, together with close family and family trusts, own 55% of the ordinary shares of the company.

### **24. STAFF COSTS**

The average number of employees during the year was as follows:

	2003	2002
Management and administration	8	8
Sales	19	18
Service	29	21
	<u>56</u>	<u>47</u>