

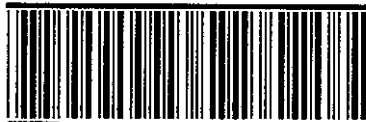
26/06/96

# Farm Place Limited

## Report and Accounts

30 June 1996

 ERNST & YOUNG



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COMPANIES HOUSE 20/09/96

# Farm Place Limited

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Registered No. 2663868

## **DIRECTORS**

A Best  
C T Dunkley  
A Ditzler (American)

## **SECRETARY**

A Best

## **AUDITORS**

Ernst & Young  
One Bridewell Street  
Bristol

## **SOLICITORS**

Peter Moorby  
Old Kennels Cottage  
Dunsfold  
Godalming  
Surrey

## **REGISTERED OFFICE**

Stane Street  
Ockley  
Surrey

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DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 1996.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £218,165 (1995 - £189,538).

The directors paid a dividend of £250,000 during the year.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The activity of the company continues to be the rehabilitation of alcoholics and drug users, and the treatment of eating disorders.

The directors consider the results to be satisfactory and look forward to further growth in the coming year.

**DIRECTORS AND THEIR INTERESTS**

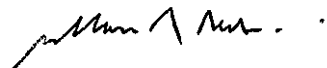
The directors at 30 June 1996, none of whom were interested in the share capital of the company during the year, were as follows:

- A Best
- C T Dunkley
- A Ditzler

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Secretary

Date 2 September 1996

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors 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 period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts of the company and to enable them to ensure that the accounts 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.

**REPORT OF THE AUDITORS**  
to the members of Farm Place Limited

We have audited the accounts on pages 6 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

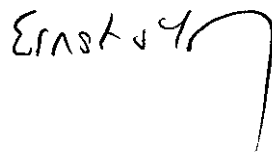
**Basis of opinion**

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 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 affairs of the company as at 30 June 1996 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
Registered Auditor  
Bristol

Date 9/9/96

# Farm Place Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 June 1996

	<i>Notes</i>	<i>1996</i> £	<i>1995</i> £
<b>TURNOVER</b>		1,176,318	1,085,485
Administrative expenses		899,242	834,057
<b>OPERATING PROFIT</b>		277,076	251,428
Bank interest receivable		20,009	13,233
Bank interest payable		-	(1,567)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		297,085	263,094
Tax on profit on ordinary activities	5	78,920	73,556
<b>PROFIT FOR THE FINANCIAL YEAR</b>		218,165	189,538
Dividends	6	250,000	100,000
<b>(LOSS)/PROFIT RETAINED FOR THE YEAR</b>	11	(31,835)	89,538

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 June 1996

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £218,165 in the year ended 30 June 1996 and the profit of £189,538 in the year ended 30 June 1995.



# Farm Place Limited

## NOTES TO THE ACCOUNTS at 30 June 1996

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold property, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold property	- over the lease term
Motor vehicles	- over 4 years
Furniture and fittings	- over 7 years

It is the directors' opinion that it is unnecessary to provide for depreciation on freehold property where the estimated remaining life exceeds 50 years, as it is the company's policy to maintain its property in good condition so as to prolong its useful life and to preserve trading levels. Accordingly the residual value of freehold property will not be less than its respective book amount. Costs of repair and maintenance are charged against revenue in the year in which they are incurred.

#### *Stocks*

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

#### *Deferred taxation*

Provision is made for deferred taxation, using the liability method, in respect of timing differences except where the tax is unlikely to become payable in the foreseeable future.

#### *Pensions*

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.

#### *Turnover*

Turnover represents amounts invoiced to third parties.

Turnover is attributable to one activity, the provision of rehabilitation service to alcoholics and drug users, and all arises in the United Kingdom.

### 2. OPERATING PROFIT

This is stated after charging:

	1996 £	1995 £
Auditors' remuneration	4,500	4,000
Depreciation	27,942	33,639
	<u>          </u>	<u>          </u>

### 3. DIRECTORS' REMUNERATION

	1996 £	1995 £
Fees	5,000	4,583
	<u>          </u>	<u>          </u>



# Farm Place Limited

## NOTES TO THE ACCOUNTS at 30 June 1996

### 4. STAFF COSTS

	<i>1996</i>	<i>1995</i>
	£	£
Wages and salaries	414,263	372,104
Social security costs	40,153	34,756
Other pension costs	37,272	39,195
	<u>491,688</u>	<u>446,055</u>

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

	<i>1996</i>	<i>1995</i>
	No.	No.
Domestic	8	8
Nursing/counselling	19	16
Administration	2	2
	<u>29</u>	<u>26</u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>1996</i>	<i>1995</i>
	£	£
Based on the profit for the year:		
Corporation tax	78,920	73,556
	<u>78,920</u>	<u>73,556</u>

If full provision had been made for deferred taxation for the year, the taxation charge would have been increased by £5,864 as follows:

	<i>1996</i>	<i>1995</i>
	£	£
Capital allowances in advance of depreciation	5,864	7,962
	<u>5,864</u>	<u>7,962</u>

### 6. DIVIDENDS

	<i>1996</i>	<i>1995</i>
	£	£
Ordinary - paid	250,000	100,000
	<u>250,000</u>	<u>100,000</u>

# Farm Place Limited

## NOTES TO THE ACCOUNTS at 30 June 1996

### 7. TANGIBLE FIXED ASSETS

	<i>Freehold property</i> £	<i>Leasehold property</i> £	<i>Furniture and fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:					
At 1 July 1995	2,040,750	226,500	135,022	37,935	2,440,207
Additions	-	-	13,384	-	13,384
Disposals	-	-	-	(34,418)	(34,418)
At 30 June 1996	2,040,750	226,500	148,406	3,517	2,419,173
Depreciation:					
At 1 July 1995	-	10,658	52,166	23,683	86,507
Charge for year	-	5,327	21,737	878	27,942
Disposals	-	-	-	(22,228)	(22,228)
At 30 June 1996	-	15,985	73,903	2,333	92,221
Net book value:					
At 30 June 1996	2,040,750	210,515	74,503	1,184	2,326,952
At 30 June 1995	2,040,750	215,842	82,856	14,252	2,353,700

### 8. DEBTORS

	1996 £	1995 £
Trade debtors	97,388	127,037
Other debtors	-	955
Prepayments	12,383	5,523
	109,771	133,515

### 9. CREDITORS: amounts falling due within one year

	1996 £	1995 £
Bank overdraft	-	18,446
Trade creditors	6,768	6,861
Current corporation tax	16,420	48,556
Other taxes and social security costs	12,410	11,680
Accruals	20,775	28,550
	56,373	114,093

# Farm Place Limited

## NOTES TO THE ACCOUNTS at 30 June 1996

### 10. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	4	4

### 11. RESERVES

	<i>Share premium account</i>	<i>Profit and loss account</i>
	<i>£</i>	<i>£</i>
At 1 July 1995	2,498,086	207,124
Loss for the year	-	(31,835)
At 30 June 1996	2,498,086	175,289

### 12. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>1996</i>	<i>1995</i>
	<i>£</i>	<i>£</i>
At 1 July 1995	2,705,214	2,615,676
Profit for the year	218,165	189,538
Dividends	(250,000)	(100,000)
At 30 June 1996	2,673,379	2,705,214

### 13. PENSION COMMITMENTS

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

### 14. TRANSACTIONS WITH DIRECTORS

During the year, £19,992 has been paid to Ovalspire Limited of which A Best is a director. These transactions were at arm's length.