

E P BRAND (FARMERS) LTD

8 Little Whyte, Ramsey, Huntingdon, Cambridgeshire, PE26 1DS

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DIRECTORS' REPORT

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2000



E P BRAND (FARMERS) LIMITED

Company Information

Directors	A J Rule C D Dyer
Secretary	C D Dyer
Company Number	533921 (England and Wales)
Registered Office	8 Little Whyte Ramsey Huntingdon Cams PE26 1DS
Auditors	S R Howell & Co Chartered Certified Accountants & Registered Auditors 8 Little Whyte Ramsey Huntingdon Cams PE26 1DS

E P BRAND (FARMERS) LIMITED

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E P BRAND (FARMERS) LIMITED

Directors' Report for the year ended 31 May 2000

The Directors present their report and the financial statements for the year ended 31 May 2000.

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 anytime 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.

Principle activity

The Company's principle activity continues to be that of farming, agricultural contractors and used vehicle sales.

Directors

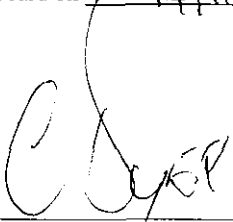
The Directors who served during the year and their beneficial interest in the Company's issued ordinary share capital were:

	Number of shares	
	2000	1999
A J Rule	5,000	5,000
C D Dyer	5,000	5,000

Auditors

The Auditors, S R Howell & Co are deemed to be reappointed in accordance with Section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 30 September 1994.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 14/11/2000 and signed on their behalf.


C D Dyer
Secretary

E P BRAND (FARMERS) LIMITED

Auditors' Report to the Shareholders of E P Brand (Farmers) Limited

We have audited the financial statements on pages 3 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the Directors and Auditors

As described on page 1 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, consistency 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 May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

S R Howell & Co

Chartered Certified Accountants
and Registered Auditors
8 Little Whyte
Ramsey
Huntingdon
Cambs
PE26 1DS



15th November 2000

E P BRAND (FARMERS) LIMITED

**Profit and Loss Account
For the year ended 31 May 2000**

	Notes	2000 £	1999 £
Turnover		884,423	765,015
Cost of Sales		<u>701,118</u>	<u>433,488</u>
Gross Profit		183,305	331,527
Administration expenses		<u>199,788</u>	<u>162,098</u>
Operating (Loss)/Profit	2	(16,483)	169,429
Profit/(Loss) on disposal of tangible fixed assets		<u>21,539</u>	<u>(4,496)</u>
Profit on ordinary activities before interest		5,056	164,933
Interest Receivable		2	97
Interest Payable	3	26,836	29,647
(Loss)/Profit on ordinary activities before taxation		<u>(21,778)</u>	<u>135,383</u>
Taxation on (Loss)/Profit on ordinary activities	4	<u>-</u>	<u>16,508</u>
(Loss)/Profit on ordinary activities after taxation		(21,778)	118,875
Dividends	5	<u>84,000</u>	<u>92,000</u>
Retained (Loss)/Profit for the Year		(105,778)	26,875
Retained Profit brought forward		305,077	278,202
Retained Profit carried forward		<u><u>199,299</u></u>	<u><u>305,077</u></u>

There were no recognised gains and losses for 2000 or 1999 other than those included in the profit and loss account.

The notes on pages 5 to 10 form part of these financial statements.

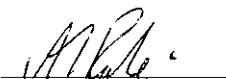
E P BRAND (FARMERS) LIMITED

Balance Sheet as at 31 May 2000

	Notes	2000 £	1999 £
Fixed Assets			
Intangible assets	6	18,898	27,948
Tangible assets	7	<u>641,585</u>	<u>595,440</u>
		660,483	623,388
Current Assets			
Stocks		152,088	190,855
Debtors	8	42,457	36,828
Cash at Bank and in hand		<u>946</u>	<u>570</u>
		195,491	228,253
Creditors: amounts falling due within one year	9	<u>379,454</u>	<u>255,431</u>
Net Current Liabilities		(183,963)	(27,178)
Total assets less current liabilities		<u>476,520</u>	<u>596,210</u>
Creditors: amounts falling due after more than one year	10	<u>267,221</u>	<u>281,133</u>
Net Assets		<u>209,299</u>	<u>315,077</u>
Capital and Reserves			
Called up share capital	12	10,000	10,000
Profit and Loss Account		<u>199,299</u>	<u>305,077</u>
Shareholders' funds	13	<u>209,299</u>	<u>315,077</u>

"In preparing these Accounts the Directors have taken advantage of the exemption applicable to small Companies conferred by Section A of Part I and Part VII of Schedule 8 to the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000) and have done so on the basis that, in their opinion, the Company satisfies the criteria for the exemption as a small Company".

The financial statements were approved by the board on 14/11/2000 and signed on their behalf.



A J Rule

Director

The notes on pages 5 to 10 form part of these financial statements.

Notes to the financial statements for the year ended 31 May 2000

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation.

Amortisation is provided on goodwill on R Dyer & Son on a straight line basis over 10 years.

Amortisation is provided on goodwill on AJR Cars on a straight line basis over 4 years.

The rates used are calculated to write off the goodwill over the expected lives of the separate brand names.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following basis:

Freehold Land	Not Depreciated
Buildings	2% Straight Line
Plant & Machinery	15 - 25% Reducing Balance

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets.

Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate costs and an appropriate proportion of fixed and variable overheads.

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

	2000 £	1999 £
2 Operating (Loss)/Profit		
The Operating (Loss)/Profit is stated after charging:		
Amortisation intangible fixed assets	9,050	9,050
Depreciation of tangible fixed assets		
- owned by the Company	38,404	30,710
- held under finance leases	19,508	16,747
Auditor's Remuneration	2,200	3,000
Operating lease rentals:		
- plant and machinery	2,773	568
Directors' emoluments	18,841	26,827
 3 Interest payable		
Included in interest payable is interest on finance leases and hire purchase contracts of £3,521 (1999 - £7,432).		
 4 Taxation	2000 £	1999 £
Current year taxation		
Corporation Tax at 20% (1999 - 20.84%)	<u>-</u>	<u>16,508</u>
 5 Dividends	2000 £	1999 £
Interim Dividend of £2.40 per share (1999 - £1.00)	24,000	10,000
Interim Dividend of £2.40 per share (1999 - £1.00)	24,000	10,000
Interim Dividend of £nil per share (1999 - £2.00)	-	20,000
Interim Dividend of £nil per share (1999 - £1.60)	-	16,000
Final Dividend of £3.60 per share (1999 - £3.60)	<u>36,000</u>	<u>36,000</u>
	<u>84,000</u>	<u>92,000</u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

6	Intangible fixed assets	£
	Cost	
	At 1 June 2000	71,000
	At 31 May 2000	<u>71,000</u>
	Depreciation	
	At 1 June 2000	43,052
	Charge for year	9,050
	At 31 May 2000	<u>52,102</u>
	Net Book Values	
	At 31 May 2000	<u>18,898</u>
	At 31 May 1999	<u>27,948</u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

7 Tangible fixed assets

	Land & Buildings £	Plant & Machinery £	Total £
Cost			
At 1 June 2000	413,553	425,357	838,910
Additions	-	131,991	131,991
Disposals	-	68,730	68,730
At 31 May 2000	<u>413,553</u>	<u>488,618</u>	<u>902,171</u>
Depreciation			
At 1 June 2000	4,066	239,404	243,470
Disposals	-	40,796	40,796
Charge for the year	83	57,829	57,912
At 31 May 2000	<u>4,149</u>	<u>256,437</u>	<u>260,586</u>
Net Book Values			
At 31 May 2000	<u>409,404</u>	<u>232,181</u>	<u>641,585</u>
At 31 May 1999	<u>409,487</u>	<u>185,953</u>	<u>595,440</u>

Included above are plant and machinery held under finance leases or hire purchase contracts amounting to £81,534 (1999 - £63,984).

Included in Land & Buildings is land at cost of £409,403 (1999 - £409,403) which is not depreciated.

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

8 Debtors	2000 £	1999 £
Trade Debtors	22,056	26,462
Other Debtors	20,401	10,366
	<u>42,457</u>	<u>36,828</u>

9 Creditors: amounts falling due within one year	2000 £	1999 £
Loans and overdrafts (secured)	216,019	145,906
Net obligations under finance lease and hire purchase contracts (secured)	32,080	25,235
Trade Creditors	67,128	40,251
Corporation Tax	-	4,583
Other Creditors	64,227	39,456
	<u>379,454</u>	<u>255,431</u>

Included within other creditors is an amount of £2,942, (1999 - £2,577) relating to social security and other taxes.

10 Creditors: amounts falling due after more than one year	2000 £	1999 £
Loans (secured)	235,116	255,719
Net obligations under finance lease and hire purchase contracts (secured)	32,105	25,414
	<u>267,221</u>	<u>281,133</u>

Bank loans outstanding at the year end amounted to £279,424, (1999 - £294,459) which are payable as follows:-

	2000 £	1999 £
Within one year and on demand	48,508	38,740
Between one and two years	47,280	36,740
Between two and five years	101,515	110,660
After more than five years	82,121	108,319
	<u>279,424</u>	<u>294,459</u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

11	Obligations under finance leases and hire purchase contracts	2000	1999
	The maturity of these amounts are as follows:-	£	£
	Amounts payable:-		
	Within one year	36,253	27,528
	Within two to five years	34,542	26,440
		<u>70,795</u>	<u>53,968</u>
	Less: finance charges allocated to future periods	6,610	3,319
		<u>64,185</u>	<u>50,649</u>
	Finance leases and hire purchase contracts are analysed as follows:-		
	Current obligations	32,080	25,235
	Non-current obligations	32,105	25,414
		<u>64,185</u>	<u>50,649</u>
12	Called up share capital	2000	1999
		£	£
	Authorised		
	Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid		
	Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
13	Movement on Shareholders' Funds	2000	1999
		£	£
	(Loss)/Profit for the Year	(21,778)	118,875
	Less: Dividends	84,000	92,000
		<u>(105,778)</u>	<u>26,875</u>
	Opening shareholders' funds	315,077	288,202
		<u>209,299</u>	<u>315,077</u>
14	Capital Commitments		
	At 31 May 2000 the Company had capital commitments as follows:	2000	1999
		£	£
	Contracted for but not provided in these accounts		
	- plant & machinery	-	3,750
15	Controlling Parties		
	The Directors control the company by virtue of their 50% / 50% shareholding.		