

E P BRAND (FARMERS) LTD

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DIRECTORS' REPORT

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001



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	88 High Street Ramsey Huntingdon Cambs PE26 1BS
Auditors	SR Howell & Co Chartered Certified Accountants & Registered Auditors 88 High Street Ramsey Huntingdon Cambs PE26 1BS

E P BRAND (FARMERS) LIMITED

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E P BRAND (FARMERS) LIMITED

Directors' Report for the year ended 31 May 2001

The Directors present their report and the financial statements for the year ended 31 May 2001.

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 vehicle procurement.

Directors

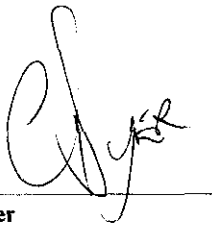
The Directors who served during the year and their beneficial interest in the Company's issued ordinary share capital were:

	Number of shares	
	2001	2000
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 7th February 2002 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 (effective March 2000) 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.

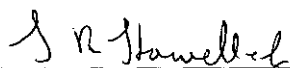
Basis of opinion

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 2001 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

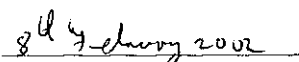
8 Little Whyte

Ramsey

Huntingdon

Cambs

PE26 1DS



E P BRAND (FARMERS) LIMITED

**Profit and Loss Account
For the year ended 31 May 2001**

	Notes	2001 £	2000 £
Turnover		1,363,651	884,423
Cost of Sales		<u>1,047,431</u>	<u>701,118</u>
Gross Profit		316,220	183,305
Administration expenses		<u>180,361</u>	<u>199,788</u>
Operating Profit/(Loss)	2	135,859	(16,483)
Profit on disposal of tangible fixed assets		<u>27,133</u>	<u>21,539</u>
Profit on ordinary activities before interest		162,992	5,056
Interest Receivable		80	2
Interest Payable	3	<u>(52,827)</u>	<u>(26,836)</u>
Profit/(Loss) on ordinary activities before taxation		<u>110,245</u>	<u>(21,778)</u>
Taxation on Profit/(Loss) on ordinary activities	4	<u>4,831</u>	<u>-</u>
Profit/(Loss) on ordinary activities after taxation		105,414	(21,778)
Dividends	5	<u>60,000</u>	<u>84,000</u>
Retained Profit/(Loss) for the Year		45,414	(105,778)
Retained Profit brought forward		199,299	305,077
Retained Profit carried forward		<u><u>244,713</u></u>	<u><u>199,299</u></u>

There were no recognised gains and losses for 2001 or 2000 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 2001

	Notes	2001 £	2000 £
Fixed Assets			
Intangible assets	6	9,848	18,898
Tangible assets	7	654,568	641,585
		<u>664,416</u>	<u>660,483</u>
Current Assets			
Stocks		301,437	152,088
Debtors	8	145,789	42,457
Cash at Bank and in hand		598	946
		<u>447,824</u>	<u>195,491</u>
Creditors: amounts falling due within one year	9	<u>450,076</u>	<u>379,454</u>
Net Current Liabilities		(2,252)	(183,963)
Total assets less current liabilities		<u>662,164</u>	<u>476,520</u>
Creditors: amounts falling due after more than one year	10	<u>407,451</u>	<u>267,221</u>
Net Assets		<u>254,713</u>	<u>209,299</u>
Capital and Reserves			
Called up share capital	12	10,000	10,000
Profit and Loss Account		<u>244,713</u>	<u>199,299</u>
Shareholders' funds	13	<u>254,713</u>	<u>209,299</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 7th February 2002 and signed on their behalf.


A J Rule

Director

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

E P BRAND (FARMERS) LIMITED

Notes to the financial statements for the year ended 31 May 2001

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

	2001	2000
	£	£
2 Operating Profit/(Loss)		
The Operating Profit/(Loss) is stated after charging:		
Amortisation intangible fixed assets	9,050	9,050
Depreciation of tangible fixed assets		
- owned by the Company	27,001	38,404
- held under finance leases	21,312	19,508
Auditor's Remuneration	4,200	2,200
Operating lease rentals:		
- plant and machinery	2,706	2,773
Directors' emoluments	22,890	18,841
3 Interest payable		
Included in interest payable is interest on finance leases and hire purchase contracts of £7,893 (2000 - £3,521).		
4 Taxation	2001	2000
	£	£
Current year taxation		
Corporation Tax at 17.9% (2000 - 20%)	<u>4,831</u>	-
5 Dividends	2001	2000
	£	£
Dividends totalling £6.00 per share (2000 - £8.40)	<u>60,000</u>	<u>84,000</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 2001

71,000

Amortisation

At 1 June 2000

52,102

Charge for year

9,050

At 31 May 2001

61,152

Net Book Values

At 31 May 2001

9,848

At 31 May 2000

18,898

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	488,618	902,171
Additions	51,408	61,930	113,338
Disposals	-	119,129	119,129
At 31 May 2001	<u>464,961</u>	<u>431,419</u>	<u>896,380</u>
Depreciation			
At 1 June 2000	4,149	256,437	260,586
Disposals	-	67,087	67,087
Charge for the year	26	48,287	48,313
At 31 May 2001	<u>4,175</u>	<u>237,637</u>	<u>241,812</u>
Net Book Values			
At 31 May 2001	<u>460,786</u>	<u>193,782</u>	<u>654,568</u>
At 31 May 2000	<u>409,404</u>	<u>232,181</u>	<u>641,585</u>

Included above are plant and machinery held under finance leases or hire purchase contracts amounting to £86,252 (2000 - £64,532).

Included in Land & Buildings is land at cost of £434,885 (2000 - £409,378) which is not depreciated.

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

8 Debtors	2001	2000
	£	£
Trade Debtors	88,655	36,691
Other Debtors	57,134	5,766
	<u>145,789</u>	<u>42,457</u>
 9 Creditors: amounts falling due within one year	 2001	 2000
	£	£
Loans and overdrafts (secured)	255,466	216,019
Net obligations under finance lease and hire purchase contracts (secured)	33,133	32,080
Trade Creditors	54,300	67,128
Corporation Tax	4,831	-
Other Creditors	102,346	64,227
	<u>450,076</u>	<u>379,454</u>

Included within other creditors is an amount of £2,875, (2000 - £2,942) relating to social security and other taxes.

10 Creditors: amounts falling due after more than one year	2001	2000
	£	£
Loans (secured)	375,085	235,116
Net obligations under finance lease and hire purchase contracts (secured)	32,366	32,105
	<u>407,451</u>	<u>267,221</u>

Bank loans outstanding at the year end amounted to £424,730, (2000 - £279,424) which are payable as follows:-

	2001	2000
	£	£
Within one year and on demand	49,645	48,508
Between one and two years	53,280	47,280
Between two and five years	72,516	101,515
After more than five years	249,289	82,121
	<u>424,730</u>	<u>279,424</u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

11	Obligations under finance leases and hire purchase contracts	2001	2000
	The maturity of these amounts are as follows:-	£	£
	Amounts payable:-		
	Within one year	37,572	36,253
	Within two to five years	34,513	34,542
		<u>72,085</u>	<u>70,795</u>
	Less: finance charges allocated to future periods	6,586	6,610
		<u>65,499</u>	<u>64,185</u>
	Finance leases and hire purchase contracts are analysed as follows:-		
	Current obligations	33,133	32,080
	Non-current obligations	32,366	32,105
		<u>65,499</u>	<u>64,185</u>
12	Called up share capital	2001	2000
		£	£
	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	2001	2000
		£	£
	Profit/(Loss) for the Year	105,414	(21,778)
	Less: Dividends	60,000	84,000
		<u>45,414</u>	<u>(105,778)</u>
	Opening shareholders' funds	209,299	315,077
		<u>254,713</u>	<u>209,299</u>
	Closing shareholders' funds		
		<u>254,713</u>	<u>209,299</u>
14	Controlling Parties		
	The Directors control the company by virtue of their 50% / 50% shareholding.		