

E P BRAND (FARMERS) LTD

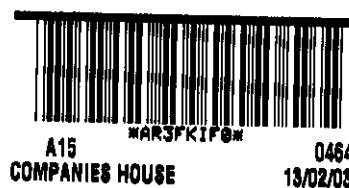
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DIRECTORS' REPORT

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2002



Directors - C D Dyer
A J Rule

Company Registered in England & Wales No. 533921

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

Contents

	Page(s)
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5-11

The following page does not form part of the statutory accounts:

Trading, Profit and Loss Account & Summaries	12-14
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E P BRAND (FARMERS) LIMITED

Profit and Loss Account For the Year Ended 31 May 2002

	Notes	2002 £	2001 £
Turnover		1,742,905	1,363,651
Cost of Sales		<u>1,436,786</u>	<u>1,047,431</u>
Gross Profit		306,119	316,220
Administration expenses		<u>176,691</u>	<u>180,361</u>
Operating Profit	2	129,428	135,859
Profit on disposal of tangible fixed assets		<u>6,943</u>	<u>27,133</u>
Profit on ordinary activities before interest		136,371	162,992
Interest Receivable		5	80
Interest Payable	3	(41,765)	(52,827)
Profit on ordinary activities before taxation		<u>94,611</u>	<u>110,245</u>
Taxation on Profit on ordinary activities	4	<u>7,047</u>	<u>4,831</u>
Profit on ordinary activities after taxation		87,564	105,414
Dividends	5	<u>60,000</u>	<u>60,000</u>
Retained Profit for the Year		27,564	45,414
Retained Profit brought forward		244,713	199,299
Retained Profit carried forward		<u><u>272,277</u></u>	<u><u>244,713</u></u>

The notes on pages 5 to 11 form part of these financial statements.

E P BRAND (FARMERS) LIMITED

Directors' Report for the year ended 31 May 2002

The Directors present their report and the financial statements for the year ended 31 May 2002.

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.

Principle activity

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

Directors

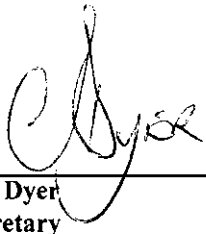
The Directors who served during the year and their beneficial interest in the Company's issued ordinary share capital were:

	Number of shares	
	2002	2001
A J Rule	5,000	5,000
C D Dyer	5,000	5,000

Auditors

The Auditors, SR 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 has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on 10th February 2003 and signed on its 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 of E P Brand (Farmers) Limited for the year ended 31 May 2002 on pages 3 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the Directors and Auditors

As described in the Statement of Director's Responsibilities on page 1, the company's directors are responsible for the preparation of the 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 Director's Report 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 Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

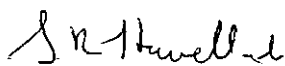
Basis of audit opinion

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.

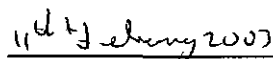
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 May 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



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



E P BRAND (FARMERS) LIMITED

Balance Sheet as at 31 May 2002

	Notes	2002 £	2001 £
Fixed Assets			
Intangible assets	6	4,048	9,848
Tangible assets	7	<u>673,705</u>	<u>654,568</u>
		677,753	664,416
Current Assets			
Stocks		330,070	301,437
Debtors	8	116,423	145,789
Cash at Bank and in hand		<u>10,454</u>	<u>598</u>
		456,947	447,824
Creditors: amounts falling due within one year	9	<u>527,611</u>	<u>450,076</u>
Net Current Liabilities		(70,664)	(2,252)
Total assets less current liabilities		<u>607,089</u>	<u>662,164</u>
Creditors: amounts falling due after more than one year	10	318,215	407,451
Provisions for liabilities and charges			
Deferred taxation	12	6,597	-
Net Assets		<u><u>282,277</u></u>	<u><u>254,713</u></u>
Capital and Reserves			
Called up share capital	13	10,000	10,000
Profit and Loss Account		272,277	244,713
Shareholders' funds	14	<u><u>282,277</u></u>	<u><u>254,713</u></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 were approved by the board on 10th May 2003 and signed on its behalf.


A J Rule
Director

The notes on pages 5 to 11 form part of these financial statements.

E P BRAND (FARMERS) LIMITED

Notes to the financial statements for the year ended 31 May 2002

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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. The rates used are calculated to write off the goodwill over the expected life of the brand name.

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
Leasehold Improvements	10% 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.

1.8 Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

	2002 £	2001 £
2 Operating Profit		
The Operating Profit is stated after charging:		
Amortisation intangible fixed assets	5,800	9,050
Depreciation of tangible fixed assets		
- owned by the Company	29,154	27,001
- held under finance leases	17,785	21,312
Auditor's Remuneration	3,900	4,200
Operating lease rentals:		
- plant and machinery	2,706	2,706
Directors' emoluments	19,351	22,890
3 Interest payable		
Included in interest payable is interest on finance leases and hire purchase contracts of £4,673 (2001 - £7,893).		
4 Taxation		
	2002 £	2001 £
UK Corporation Tax at 10.0% (2001 - 17.9%)	450	4,831
Transfer to deferred taxation	6,597	-
	<u>7,047</u>	<u>4,831</u>
5 Dividends		
	2002 £	2001 £
Dividends totalling £6.00 per share (2001 - £6.00)	<u>60,000</u>	<u>60,000</u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

6	Intangible fixed assets	Goodwill
		£
	Cost	
	At 1 June 2001	58,000
	At 31 May 2002	<u>58,000</u>
	Amortisation	
	At 1 June 2001	48,152
	Charge for year	5,800
	At 31 May 2002	<u>53,952</u>
	Net Book Values	
	At 31 May 2002	<u>4,048</u>
	At 31 May 2001	<u>9,848</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 2001	464,961	431,419	896,380
Additions	41,495	48,775	90,270
Disposals	37	70,535	70,572
At 31 May 2002	<u>506,419</u>	<u>409,659</u>	<u>916,078</u>
Depreciation			
At 1 June 2001	4,175	237,637	241,812
Disposals	-	46,378	46,378
Annual Charge	2,936	44,003	46,939
At 31 May 2002	<u>7,111</u>	<u>235,262</u>	<u>242,373</u>
Net Book Values			
At 31 May 2002	<u>499,308</u>	<u>174,397</u>	<u>673,705</u>
At 31 May 2001	<u>460,786</u>	<u>193,782</u>	<u>654,568</u>

Included above are plant and machinery held under finance leases or hire purchase contracts amounting to £71,139 (2001 - £86,252).

Included in Land & Buildings is land at cost of £434,885 (2001 - £434,885) which is not depreciated.

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

8 Debtors

	2002 £	2001 £
Trade Debtors	97,504	88,655
Other Debtors	18,919	57,134
	<u>116,423</u>	<u>145,789</u>

9 Creditors: amounts falling due within one year

	2002 £	2001 £
Loans and overdrafts (secured)	283,121	255,466
Net obligations under finance lease and hire purchase contracts (secured)	21,888	33,133
Trade Creditors	92,154	54,300
Corporation Tax	450	4,831
Other Creditors	129,998	102,346
	<u>527,611</u>	<u>450,076</u>

Included within other creditors is an amount of £20,754 (2001 - £2,875) relating to social security and other taxes.

10 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Loans (secured)	299,488	375,085
Net obligations under finance lease and hire purchase contracts (secured)	18,727	32,366
	<u>318,215</u>	<u>407,451</u>

Bank loans outstanding at the year end amounted to £364,141 (2001 - £424,730) which are payable as follows:-

	2002 £	2001 £
Within one year and on demand	64,653	49,645
Between one and two years	48,587	53,280
Between two and five years	91,852	72,516
After more than five years	159,049	249,289
	<u>364,141</u>	<u>424,730</u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

11	Obligations under finance leases and hire purchase contracts	2002	2001
	The maturity of these amounts are as follows:-	£	£
	Amounts payable:-		
	Within one year	23,851	37,572
	Within two to five years	<u>19,820</u>	<u>34,513</u>
		43,671	72,085
	Less: finance charges allocated to future periods	3,056	6,586
		<u><u>40,615</u></u>	<u><u>65,499</u></u>
	Finance leases and hire purchase contracts are analysed as follows:-		
	Current obligations	21,888	33,133
	Non-current obligations	18,727	32,366
		<u><u>40,615</u></u>	<u><u>65,499</u></u>
12	Deferred taxation	2002	2001
		£	£
	Balance at 1 June	-	-
	Charge (credit) for the year	6,597	-
	Balance at 31 May	<u><u>6,597</u></u>	<u><u>-</u></u>
	The provision for deferred taxation is made up of accelerated capital allowances.		
	The company has applied the FRSSE (effective June 2002) for the first time in these financial statements. As a result, the accounting policy for deferred taxation has been changed and full provision has been made for timing differences arising from accelerated capital allowances, as opposed to the partial provision basis previously used. The application of the new policy has not resulted in any material change to figures reported in previous financial statements and therefore no prior year adjustment has been made. The effect of the change in policy on the current year's profit is not material.		
13	Called up share capital	2002	2001
		£	£
	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><u>10,000</u></u>	<u><u>10,000</u></u>

E P BRAND (FARMERS) LIMITED

Notes to the financial statements continued

14 Movement on Shareholders' Funds	2002 £	2001 £
Profit for the Year	87,564	105,414
Less: Dividends	60,000	60,000
	<u>27,564</u>	<u>45,414</u>
Opening shareholders' funds	254,713	209,299
Closing shareholders' funds	<u><u>282,277</u></u>	<u><u>254,713</u></u>
 15 Controlling Parties		
The Directors control the company by virtue of their 50% / 50% shareholding.		