

R.B.R. POTATOES LIMITED
DIRECTORS' REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000



R.B.R. POTATOES LIMITED

COMPANY INFORMATION

Directors

Mr M. Brighton
Mr M.S. Brighton
Mr S.P. Brighton
Mr R.A. Bone

Secretary

Mr R.A. Bone

Company number

863003

Registered office

Carlton Farm
Old Yarmouth Road
North Walsham
Norfolk
NR28 9NA

Auditors

Stephenson Smart
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

Bankers

Bank of Scotland
3 Queen Street
Norwich
Norfolk
NR2 4SG

R.B.R. POTATOES LIMITED

CONTENTS

	Page
Directors' report	1 to 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 to 16
<i>The following pages do not form part of the statutory financial statements</i>	
Management profit and loss account	17 to 18

R.B.R. POTATOES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2000

The directors present their report and the audited financial statements for the company for the year ended 30th June 2000.

Principal activities and review of business

The company's principal activity continued to be that of potato merchants.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the loss achieved on ordinary activities before taxation to be satisfactory bearing in mind the market conditions.

The directors consider the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 30th June 2000	At 1st July 1999
Mr M. Brighton	Ordinary £1 Shares	1768	1768
Mr M.S. Brighton	Ordinary £1 Shares	450	450
Mr S.P. Brighton	Ordinary £1 Shares	450	450
Mr R.A. Bone	Ordinary £1 Shares	1334	1334

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 for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

R.B.R. POTATOES LIMITED

DIRECTORS' REPORT

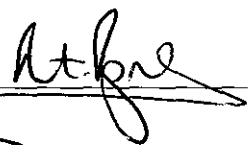
FOR THE YEAR ENDED 30TH JUNE 2000

Auditors

A resolution to re-appoint Stephenson Smart Chartered Accountants and Registered Auditors as auditors will be put to the members at the Annual General Meeting.

By order of the Board

Mr R.A. Bone, Secretary
Carlton Farm
Old Yarmouth Road
North Walsham
Norfolk
NR28 9NA
Date: _____



20th March 2001

AUDITORS' REPORT TO R.B.R. POTATOES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 4 to 16 together with the financial statements of R.B.R. Potatoes Limited for the year ended 30th June 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 16 are properly prepared in accordance with that provision.

Stephenson Smart
Chartered Accountants and Registered Auditors
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ
Date: 21st March 2001



R.B.R. POTATOES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2000

	Notes	2000 £	1999 £
Gross profit		258,228	516,100
Administrative expenses		(309,106)	(455,188)
Operating loss/profit	2	(50,878)	60,912
Interest receivable	3	2,086	3,501
Interest payable and similar charges	4	(27,221)	(11,117)
Loss/Profit on ordinary activities before taxation		(76,013)	53,296
Tax on loss/profit on ordinary activities	6	14,480	(12,367)
Loss/Profit for the financial year		(61,533)	40,929
Retained profit brought forward		869,250	828,321
Retained profit carried forward		807,717	869,250

All amounts relate to continuing activities.

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

R.B.R. POTATOES LIMITED

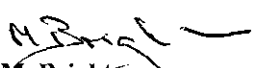
ABBREVIATED BALANCE SHEET

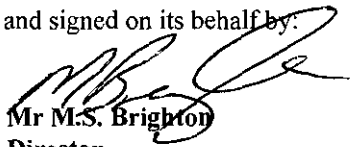
AS AT 30TH JUNE 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	7		906,724		732,739
Investments	8		70		70
			<u>906,794</u>		<u>732,809</u>
Current assets					
Stocks	9	591,956		469,678	
Debtors	10	912,161		1,110,810	
Cash at bank and in hand		195		131	
		<u>1,504,312</u>		<u>1,580,619</u>	
Creditors: amounts falling due within one year	11	<u>(1,379,292)</u>		<u>(1,261,005)</u>	
Net current assets			<u>125,020</u>		<u>319,614</u>
Total assets less current liabilities			<u>1,031,814</u>		<u>1,052,423</u>
Creditors: amounts falling due after more than one year	12		(176,395)		(120,371)
Provisions for liabilities and charges					
Deferred taxation	16		(43,700)		(58,800)
			<u>811,719</u>		<u>873,252</u>
Capital and reserves					
Share capital	17		4,002		4,002
Profit and loss account			807,717		869,250
Shareholders' funds	18		<u>811,719</u>		<u>873,252</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board on 20th March 2001 and signed on its behalf by:


Mr M. Brighton
Director


Mr M.S. Brighton
Director

R.B.R. POTATOES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2000

	Notes	2000 £	1999 £
Reconciliation of operating loss/profit to net cash flow from operating activities			
Operating loss/profit		(50,878)	60,912
Depreciation		187,104	154,260
Profit/Loss on sale of fixed assets		(3,394)	21,534
Increase in stocks		(122,278)	(102,310)
Decrease/Increase in debtors		198,649	(605,240)
Increase in creditors		101,087	570,961
Net cash inflow from operating activities		310,290	100,117
CASH FLOW STATEMENT			
Net cash inflow from operating activities		310,290	100,117
Returns on investments and servicing of finance	24	(25,135)	(7,616)
Taxation		(4,517)	-
Capital expenditure and financial investment	24	(357,695)	(221,399)
Cash outflow before use of liquid resources and financing		(77,057)	(128,898)
Financing	24	(12,527)	56,006
Decrease in cash		(89,584)	(72,892)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		(89,584)	(72,892)
Cash outflow from decrease/inflow from increase in net debt and lease financing	25	12,527	(56,006)
Increase in net debt		(77,057)	(128,898)
Net debt at 1st July 1999	25	(524,613)	(395,715)
Net debt at 30th June 2000		(601,670)	(524,613)

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Plant and machinery	15% p.a. reducing balance basis
Motor vehicles and tractors	25% and 30% p.a. reducing balance basis
Fixtures and fittings	15% p.a. reducing balance basis

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Stocks

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

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Contribution to pension funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

2 Operating loss

The operating loss is stated after charging or crediting:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	90,231	117,139
-assets held under finance leases and hire purchase	96,873	37,121
Profit on disposal of fixed assets	(3,394)	21,534
Operating leases:		
-plant and equipment	88,679	63,560
-land and buildings	194,951	176,897
Auditors' remuneration	2,350	2,300

3 Interest receivable

	2000	1999
	£	£
Bank interest receivable	2,086	3,501

4 Interest payable and similar charges

	2000	1999
	£	£
Interest payable on bank loans and overdrafts	6,439	1,820
Finance leases and hire purchase contracts	20,782	9,297
	27,221	11,117

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

5 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	579,805	639,559
Social security costs	48,199	71,544
Other pension costs	28,480	26,660
	<u>656,484</u>	<u>737,763</u>

The average monthly number of employees, including directors, during the year was as follows:

	2000	1999
	Number	Number
Selling and distribution	24	27
Administration	10	8
	<u>34</u>	<u>35</u>

Directors' emoluments

	2000	1999
	£	£
Aggregate emoluments	112,963	273,126
Directors' pension contributions under defined contribution schemes	22,737	22,331
	<u>135,700</u>	<u>295,457</u>

Retirement benefits were accruing to directors as follows:

	2000	1999
	Number	Number
Defined contribution schemes	3	3

6 Taxation

	2000	1999
	£	£
Based on the loss/profit for the year:		
U.K. Corporation tax at 20% (1999 20.75%)	620	4,517
Deferred tax charge	(15,100)	7,850
	<u>(14,480)</u>	<u>12,367</u>

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

7 Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£
At 1st July 1999	1,018,678	487,934	29,933	1,536,545
Additions	314,956	159,862	35,762	510,580
Disposals	(99,869)	(209,077)	-	(308,946)
At 30th June 2000	1,233,765	438,719	65,695	1,738,179
Depreciation				
At 1st July 1999	509,732	281,432	12,642	803,806
Charge for the year	116,006	62,922	8,176	187,104
Disposals	(44,723)	(114,732)	-	(159,455)
At 30th June 2000	581,015	229,622	20,818	831,455
Net book value				
At 30th June 2000	652,750	209,097	44,877	906,724
<i>At 30th June 1999</i>	<i>508,946</i>	<i>206,502</i>	<i>17,291</i>	<i>732,739</i>

Assets held under finance leases and hire purchase originally cost £637,367 (1999: £435,404) and have a net book value of £458,805 (1999: £315,609). Depreciation charged for the year was £96,873 (1999: £37,121).

8 Fixed asset investments

	Other investments other than loans	Total
Cost	£	£
At 1st July 1999	70	70
At 30th June 2000	70	70
Net book value		
At 30th June 2000	70	70
<i>At 30th June 1999</i>	<i>70</i>	<i>70</i>

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

9	Stocks	2000	1999
		£	£
	Stocks	84,457	72,859
	Goods for resale	507,499	396,819
		<u>591,956</u>	<u>469,678</u>
10	Debtors	2000	1999
		£	£
	Trade debtors	841,620	1,029,992
	Other debtors	36,100	78,793
	Prepayments and accrued income	1,941	2,025
	Directors' loan accounts (Note 22)	32,500	-
		<u>912,161</u>	<u>1,110,810</u>
11	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank overdrafts	282,372	192,724
	Obligations under hire purchase and finance lease (Note 15)	136,212	93,682
	Trade creditors	922,360	731,586
	Corporation tax	620	4,517
	Other taxes and social security	15,028	104,675
	Accruals and deferred income	15,814	15,854
	Directors' loans (Note 22)	6,886	117,967
		<u>1,379,292</u>	<u>1,261,005</u>
12	Creditors: amounts falling due after more than one year	2000	1999
		£	£
	Obligations under hire purchase and finance lease (Note 15)	<u>176,395</u>	<u>120,371</u>

13 Secured creditors

Secured bank borrowings included in creditors: amounts falling due within one year is £282,372 (1999 £192,274).

Security has been given in an all monies Debenture by R.B.R. Potatoes Limited, and in a corporate cross guarantee for all monies, by the related company, R.B.R. (Crops) Limited.

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

14	Loans and borrowings	2000 £	1999 £
	Analysis of loans		
	Bank overdraft	282,372	192,724
	Directors' loans (Note 22)	6,886	117,967
	Obligations under hire purchase and finance lease	312,607	214,053
		<u>601,865</u>	<u>524,744</u>
	Maturity of debt		
	In one year or less, or on demand	289,258	310,691
		<u>289,258</u>	<u>310,691</u>
15	Obligations under hire purchase and finance leases	2000 £	1999 £
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	136,212	93,682
	In the second to fifth years inclusive	176,395	120,371
		<u>312,607</u>	<u>214,053</u>

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

16 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2000 £	1999 £
At 1st July 1999	58,800	50,950
Movement in the year	(15,100)	7,850
At 30th June 2000	43,700	58,800

Deferred taxation provided and unprovided for in the financial statements is set out below date and is calculated using a tax rate of 20% (1999 20%).

	Amount provided	
	2000 £	1999 £
Accelerated capital allowances	72,200	57,700
Other timing differences	1,500	1,100
	73,700	58,800
Less:		
Trading losses	30,000	-
	43,700	58,800

17 Share capital

Authorised Equity shares

5,000 Ordinary shares of £1.00 each

2000 £	1999 £
5,000	5,000

Allotted Equity shares

4,002 Allotted, called up and fully paid ordinary shares of £1.00 each

2000 £	1999 £
4,002	4,002

18 Reconciliation of movement in shareholders' funds

Loss/Profit for the financial year

Decrease in the shareholders' funds
Opening shareholders' funds

Closing shareholders' funds

2000 £	1999 £
(61,533)	40,929
(61,533)	40,929
873,252	832,323
811,719	873,252

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

19 Capital commitments

The company had the following capital commitments:

	2000	1999
	£	£
Contracted for but not provided in the financial statements	-	84,300
The capital commitments relate to the purchase of vehicles.		

20 Contingent assets/liabilities

A Corporate Cross Guarantee has been given to the company's Bankers, to cover "All Monies" owed by RBR (Crops) Limited.

21 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £28,480 (1999 £26,660).

22 Transactions with directors

During the year the company provided a loans to directors as follows:

Mr.M.Brighton, the outstanding amounts were as follows: beginning of year: £-; end of year: £14,000; maximum during the year: £14,000. The loan was repaid on 10th January 2001

Mr.M.S.Brighton, the outstanding amounts were as follows: beginning of year: £-; end of year: £18,500; maximum during the year: £18,500. The loan was repaid on 29th September 2000.

Both loans are interest free.

Mr.M.S.Brighton purchased a motor car from the company on the 31st May 2000, at a valuation of £18,500.

Mr.S.P.Brighton purchased a motor car from the company on the 8th October 1999, at a valuation of £8,900.

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

23 Related parties

R B R (Crops) Limited is a related party, having the same directors and shareholders as R B R Potatoes Limited. The following transactions took place between the two companies during the year :-

	2000	1999
R B R Potatoes Limited storage rent paid	£ 95,000	£ 95,000
R B R Potatoes Limited purchased potatoes	£ 609,468	£ 791,081
R B R Potatoes Limited received cultivation costs	£ 429,683	£ 363,432
R B R Potatoes Limited purchased haulage	£ 450,773	£ 270,196
R B R Potatoes Limited purchased fuel	£ 4,276	£ 17,429

R B R (Crops) Limited is also a 50% partner in a joint venture, North Walsham Bulb Syndicate. During the year R B R Potatoes Limited was paid for grading costs etc £20,272 (1999 £19,976) by North Walsham Bulb Syndicate.

At 30th June 1998 included in trade debtors is £134,137 (1999 £60,510) owed by R B R (Crops) Limited, and included in trade creditors is £291,649 (1999 £290,579) owed to R B R (Crops) Limited.

24 Gross cash flows

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	2,086	3,501
Interest paid	(6,439)	(1,820)
Interest element of finance lease rentals payment	(20,782)	(9,297)
	<u>(25,135)</u>	<u>(7,616)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(510,580)	(311,099)
Proceeds from the sale of tangible fixed assets	152,885	89,700
	<u>(357,695)</u>	<u>(221,399)</u>
Financing		
Decrease/Increase in directors' loans due within one year	(111,081)	43,415
Capital element of finance lease rentals payments	98,554	12,591
	<u>(12,527)</u>	<u>56,006</u>

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

25 Analysis of changes in net debt

	1999	Cash flows	2000
	£	£	£
Cash at bank and in hand	131	64	195
Overdrafts	(192,724)	(89,648)	(282,372)
	(192,593)	(89,584)	(282,177)
Debt due within one year	(117,967)	111,081	(6,886)
Finance leases	(214,053)	(98,554)	(312,607)
	(332,020)	12,527	(319,493)
	(524,613)	(77,057)	(601,670)