

R.B.R. POTATOES LIMITED
DIRECTORS' REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002



Company No. 00863003

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

00863003

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

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R.B.R. POTATOES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2002

The directors present their report and the audited financial statements for the company for the year ended 30th June 2002.

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 2002	At 1st July 2001
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

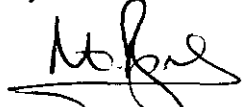
DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2002

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: 24th MARCH 2003

INDEPENDENT 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 15 together with the financial statements of R.B.R. Potatoes Limited for the year ended 30th June 2002 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 15 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
26th March 2003

R.B.R. POTATOES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2002

	Notes	2002 £	2001 £
Gross profit		50,002	738,491
Administrative expenses		(455,424)	(512,807)
Operating loss/profit	2	(405,422)	225,684
Interest receivable	3	2,252	7,962
Interest payable and similar charges	4	(37,160)	(36,661)
Loss/Profit on ordinary activities before taxation		(440,330)	196,985
Tax on loss/profit on ordinary activities	6	71,706	(42,519)
Loss/Profit for the financial year		(368,624)	154,466
Retained profit brought forward		962,183	807,717
Retained profit carried forward		593,559	962,183

All amounts relate to continuing activities.

There were no recognised gains or losses for 2002 or 2001 other than those included in the profit and loss account.

R.B.R. POTATOES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30TH JUNE 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	7		995,778		1,161,320
Investments	8		70		70
			<u>995,848</u>		<u>1,161,390</u>
Current assets					
Stocks	9	489,541		548,806	
Debtors	10	1,174,528		1,267,530	
Cash at bank and in hand		213		2,821	
			<u>1,664,282</u>	<u>1,819,157</u>	
Creditors: amounts falling due within one year	11	(1,957,777)		(1,683,577)	
Net current liabilities/assets			<u>(293,495)</u>		<u>135,580</u>
Total assets less current liabilities			<u>702,353</u>		<u>1,296,970</u>
Creditors: amounts falling due after more than one year	12		(90,342)		(245,735)
Provisions for liabilities and charges					
Deferred taxation			(14,450)		(85,050)
			<u>597,561</u>		<u>966,185</u>
Capital and reserves					
Share capital	17		4,002		4,002
Profit and loss account			593,559		962,183
Shareholders' funds	18		<u>597,561</u>		<u>966,185</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 24th March 2003 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 2002

	Notes	2002 £	2001 £
Reconciliation of operating loss/profit to net cash flow from operating activities			
Operating loss/profit		(405,422)	225,684
Depreciation		228,033	223,186
Loss/Profit on sale of fixed assets		18,970	(3,435)
Decrease in stocks		59,265	43,150
Decrease/Increase in debtors		93,002	(355,369)
Increase in creditors		296,317	266,967
Net cash inflow from operating activities		290,165	400,183

CASH FLOW STATEMENT

Net cash inflow from operating activities		290,165	400,183
Returns on investments and servicing of finance	22	(34,908)	(28,699)
Taxation		(60)	(623)
Capital expenditure and financial investment	22	(81,461)	(474,347)
Cash inflow/outflow before use of liquid resources and financing		173,736	(103,486)
Financing	22	(210,881)	163,087
Decrease/Increase in cash		(37,145)	59,601
Reconciliation of net cash flow to movement in net debt			
Decrease/Increase in cash in the year		(37,145)	59,601
Cash outflow from decrease/inflow from increase in net debt and lease financing	23	210,881	(163,087)
Decrease in net debt		173,736	(103,486)
Net debt at 1st July 2001	23	(698,270)	(594,784)
Net debt at 30th June 2002		(524,534)	(698,270)

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

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 2002

2 Operating loss

The operating loss is stated after charging or crediting:

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	116,377	102,232
-assets held under finance leases and hire purchase	111,656	120,954
Loss on disposal of fixed assets	18,970	(3,435)
Operating leases:		
-plant and equipment	84,366	127,260
-land and buildings	439,037	375,429
Auditors' remuneration	2,450	2,450

3 Interest receivable

	2002	2001
	£	£
Bank interest receivable	2,252	7,962

4 Interest payable and similar charges

	2002	2001
	£	£
Interest payable on bank loans and overdrafts	16,416	4,230
Finance leases and hire purchase contracts	20,744	32,431
	37,160	36,661

5 Directors and employees

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

	2002	2001
	£	£
Wages and salaries	725,453	884,170
Social security costs	40,148	73,397
Other pension costs	36,232	46,031
	801,833	1,003,598

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

	2002	2001
	Number	Number
Selling and distribution	18	17
Administration	12	13
	30	30

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

Directors' emoluments

	2002	2001
	£	£
Aggregate emoluments	128,266	297,768
Directors' pension contributions under defined contribution schemes	27,688	39,724
	<u>155,954</u>	<u>337,492</u>

Retirement benefits were accruing to directors as follows:

	2002	2001
	Number	Number
Defined contribution schemes	3	3

6 Taxation

(a) Analysis of charge in period

Current tax

UK corporation tax

2002	2001
£	£
(1,006)	1,169

Prior period adjustments

(100)	-
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Total current tax charge

(1,106)	1,169
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Deferred tax

Timing differences, origination and reversal

(70,600)	41,350
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Total deferred tax

(70,600)	41,350
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Tax on profit on ordinary activities

(71,706)	42,519
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(b) Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20 per cent). The differences are explained below:

	2002	2001
	£	£
Loss/Profit on ordinary activities before taxation	(440,330)	196,985
Loss/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2001: 20%).	(88,066)	39,397
Effects of:		
Expenses not deductible for tax purposes	1,012	2,085
Capital allowances for period in excess of depreciation	2,722	(12,654)

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

Utilisation of tax losses	-	(27,378)
Marginal relief adjustment	444	(281)
Tax losses carried forward	82,882	-
Current tax charge for period	(1,006)	1,169

7 Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£
At 1st July 2001	1,341,866	638,612	71,321	2,051,799
Additions	40,036	88,099	8,400	136,535
Disposals	(29,250)	(80,600)	-	(109,850)
At 30th June 2002	1,352,652	646,111	79,721	2,078,484
Depreciation				
At 1st July 2001	595,018	265,781	29,680	890,479
Charge for the year	114,057	106,643	7,333	228,033
Disposals	(18,327)	(17,479)	-	(35,806)
At 30th June 2002	690,748	354,945	37,013	1,082,706
Net book value				
At 30th June 2002	661,904	291,166	42,708	995,778
<i>At 30th June 2001</i>	<i>746,848</i>	<i>372,831</i>	<i>41,641</i>	<i>1,161,320</i>

Assets held under finance leases and hire purchase originally cost £728,905 (2001: £945,205) and have a net book value of £464,738 (2001: £795,575). Depreciation charged for the year was £111,656 (2001: £120,954).

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

8 Fixed asset investments

	Other investments other than loans	Total
Cost	£	£
At 1st July 2001	70	70
At 30th June 2002	70	70
Net book value		
At 30th June 2002	70	70
At 30th June 2001	70	70

9 Stocks

	2002	2001
	£	£
Stocks	12,750	18,999
Goods for resale	476,791	529,807
	489,541	548,806

10 Debtors

	2002	2001
	£	£
Trade debtors	1,151,434	1,166,290
Other debtors	21,527	98,087
Prepayments and accrued income	1,567	3,153
	1,174,528	1,267,530

11 Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank overdrafts	259,934	225,397
Obligations under hire purchase contracts and finance leases (Note 15)	174,471	229,959
Trade creditors	1,153,635	991,353
Corporation tax	-	1,166
Other taxes and social security	277,181	115,393
Accruals and deferred income	14,946	20,874
Directors' loans	77,610	99,435
	1,957,777	1,683,577

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

12	Creditors: amounts falling due after more than one year	2002	2001
		£	£
	Obligations under hire purchase contracts and finance leases (Note 15)	90,342	245,735
13	Secured creditors		
	Secured bank borrowings included in creditors: amounts falling due within one year is £259,934 (2001 £225,397).		
	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.		
14	Loans and borrowings	2002	2001
		£	£
	Analysis of loans		
	Bank overdraft	259,934	225,397
	Directors' loans	77,610	99,435
	Obligations under hire purchase contracts and finance leases	264,813	475,694
		602,357	800,526
	Maturity of debt		
	In one year or less, or on demand	337,544	324,832
		337,544	324,832
15	Obligations under hire purchase and finance leases	2002	2001
		£	£
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	174,471	229,959
	In the second to fifth years inclusive	90,342	245,735
		264,813	475,694

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

16 Provision for deferred taxation

	2002 £	2001 £
Accelerated capital allowances	96,950	89,200
Undiscounted provision for deferred tax	96,950	89,200
Discounted provision for deferred tax	96,950	89,200
Provision at 1st July 2001		89,200
Deferred tax charge in profit and loss account		(70,600)
Provision at 30th June 2002		18,600

17 Share capital

	2002 £	2001 £
Authorised Equity shares		
5,000 Ordinary shares of £1.00 each	5,000	5,000
Allotted Equity shares		
4,002 Allotted, called up and fully paid ordinary shares of £1.00 each	4,002	4,002

18 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
Loss/Profit for the financial year	(368,624)	154,466
Decrease in the shareholders' funds	(368,624)	154,466
Opening shareholders' funds	966,185	811,719
Closing shareholders' funds	597,561	966,185

19 Contingent assets/liabilities

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

20 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 £36,232 (2001 £46,031).

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

21 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 :-

	2001	2002
R B R Potatoes Limited storage rent paid	£ 95,000	£ 95,000
R B R Potatoes Limited purchased potatoes	£ 931,905	£1,097,118
R B R Potatoes Limited received cultivation costs	£ 800,338	£ 778,708
R B R Potatoes Limited purchased haulage	£ 544,616	£ 462,885
R B R Potatoes Limited received a management fee	£ 150,000	£ -

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 £13,075 (2001 £22,122) by North Walsham Bulb Syndicate.

At 30th June 2002 included in trade debtors is £544,661 (2001 £149,970) owed by R B R (Crops) Limited, and included in trade creditors is £561,532 (2001 £532,491) owed to R B R (Crops) Limited.

22 Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	2,252	7,962
Interest paid	(16,416)	(4,230)
Interest element of finance lease rental payments	(20,744)	(32,431)
	<u>(34,908)</u>	<u>(28,699)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(136,535)	(646,597)
Proceeds from the sale of tangible fixed assets	55,074	172,250
	<u>(81,461)</u>	<u>(474,347)</u>
Financing		
Capital element of finance lease rentals payments	(210,881)	163,087
	<u>(210,881)</u>	<u>163,087</u>

R.B.R. POTATOES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

23 Analysis of changes in net debt

	2001	Cash flows	2002
	£	£	£
Cash at bank and in hand	2,821	(2,608)	213
Overdrafts	(225,397)	(34,537)	(259,934)
	<u>(222,576)</u>	<u>(37,145)</u>	<u>(259,721)</u>
Finance leases	(475,694)	210,881	(264,813)
	<u>(475,694)</u>	<u>210,881</u>	<u>(264,813)</u>
	<u>(698,270)</u>	<u>173,736</u>	<u>(524,534)</u>