

**GEORGE MARSHALL (ANCRUM) LTD
CAMIESTON, ST BOSWELLS**

REPORT AND ACCOUNTS

for the year ended 30 June 2000

Company No SC32243



GEORGE MARSHALL (ANCRUM) LTD

REPORT OF THE DIRECTORS for the year ended 30 June 2000

DIRECTORS: Mr George Marshall
Mrs Christina Marshall
Mr Roy W G Marshall
Mr Eric S Marshall

SECRETARY: Mr David P Sturrock

REGISTERED OFFICE: 26 High Street, Jedburgh

The directors present their annual report and accounts for the year ended 30 June 2000.

FINANCIAL RESULTS

Loss for the year after taxation. £(29,906)

The directors recommend that no dividend be paid.

PRINCIPAL ACTIVITIES

The company's principal activities are farming and livestock dealing.

REVIEW OF BUSINESS

While not considered satisfactory, the results for the year were to be expected given the prevailing economic and market conditions and the directors expect that the present level of activity will be sustained for the foreseeable future.

FIXED ASSETS

Movements in fixed assets during the year are set out in note 6 to the accounts. The directors consider the market value of land and buildings to be around £1,000,000 compared with the net book value of £355,552 shown in the accounts.

DIRECTORS AND THEIR INTERESTS

The directors at 30 June 2000 and their interests in the share capital of the company were as follows:

	At 30 June 2000 Ordinary Shares	At 30 June 1999 Ordinary Shares
Mr George Marshall	5	5
Mrs Christina Marshall	5	5
Mr Roy Marshall	45	45
Mr Eric Marshall	<u>45</u>	<u>45</u>

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

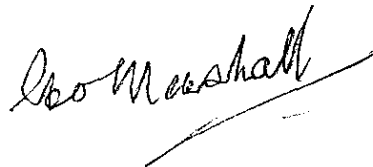
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution proposing the re-appointment of Geoghegan & Co, CA, as auditors of the company will be submitted at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

George Marshall
Chairman

A handwritten signature in cursive script, appearing to read 'Geo Marshall', written over a horizontal line.

Camieston
ST BOSWELLS

26 March 2001

GEORGE MARSHALL (ANCRUM) LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Geoghegan & Co
Chartered Accountants and
Registered Auditors

6 St Colme Street
EDINBURGH EH3 6AD

28 March 2001

GEORGE MARSHALL (ANCRUM) LTD

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2000

	Notes		1999
Turnover	2	497,393	417,335
Changes in stocks		<u>11,200</u>	<u>(4,595)</u>
		508,593	412,740
Other operating income		<u>1,924</u>	<u>3,365</u>
		510,517	416,105
Raw materials and consumables		321,192	221,813
Other external charges		<u>54,720</u>	<u>47,216</u>
		<u>375,912</u>	<u>269,029</u>
		134,605	147,076
Staff costs	3	90,127	89,193
Depreciation		44,425	45,465
Other operating charges		<u>27,038</u>	<u>27,962</u>
		<u>161,590</u>	<u>162,620</u>
Operating loss		(26,985)	(15,544)
Interest receivable		414	1,397
Interest payable	6	<u>3,335</u>	<u>3,385</u>
		<u>(2,921)</u>	<u>(1,988)</u>
(Loss) on ordinary activities before taxation		(29,906)	(17,532)
Tax on (loss) on ordinary activities	7	-	-
Retained (loss) for the financial year		(29,906)	(17,532)
Retained profit brought forward		<u>601,823</u>	<u>619,355</u>
Retained profit carried forward		<u>£571,917</u>	<u>£601,823</u>

All transactions are in respect of continuing operations.

The company had no recognised gains or losses in the years ended 30 June 1999 and 30 June 2000 other than disclosed above.

GEORGE MARSHALL (ANCRUM) LTD

BALANCE SHEET **as at 30 June 2000**

FIXED ASSETS	Notes		1999
Tangible assets	8	504,143	480,747
Intangible assets - sheep quota at cost		6,246	6,246
CURRENT ASSETS			
Stocks		170,200	154,665
Debtors	9	16,253	55,738
Cash at bank and in hand		3,149	25,000
		189,602	235,403
CREDITORS: Amounts falling due within one year	10	98,661	97,443
NET CURRENT ASSETS		90,941	137,960
TOTAL ASSETS LESS CURRENT LIABILITIES		601,330	624,953
CREDITORS: Amounts falling due after more than one year	10	28,682	22,287
		572,648	602,666
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	-	-
Deferred income	12	631	743
		631	743
NET ASSETS		<u>£572,017</u>	<u>£601,923</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account		571,917	601,823
EQUITY SHAREHOLDERS' FUNDS		<u>£572,017</u>	<u>£601,923</u>

The accounts on pages 4 to 10 were approved by the board of directors on 26 March 2001 and are signed on its behalf by :

Eric S Marshall
Director



26 March 2001

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of goods sold and services provided, exclusive of value added tax.

Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition and under deduction of capital grants received before 1994. Depreciation is charged as follows:

	Rate %	
Buildings	2	Straight line
Improvements	15	Reducing balance
Implements	20	Reducing balance
Motor vehicles	25	Reducing balance

Depreciation of buildings commenced in the year ended 30 June 1994 and depreciation is not provided on freehold land.

Deferred government grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets. Prior to 30 June 1994 capital grants were deducted from the cost of the relevant assets. Grants of a revenue nature are credited to income in the period to which they relate.

Stocks

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

Deferred Taxation

Deferred taxation is provided by the liability method on all timing differences arising between profits as reported and those computed for tax purposes.

Pension

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 TURNOVER

The turnover and pre-tax profit are attributable to UK sales and to one activity, farming and livestock dealing.

GEORGE MARSHALL (ANCRUM) LTD

NOTES TO THE ACCOUNTS (Cont'd)

3	STAFF COSTS		1999
	Wages and salaries	76,228	76,012
	Social security costs	8,252	7,534
	Other pension costs	<u>5,647</u>	<u>5,647</u>
		<u>£90,127</u>	<u>£89,193</u>

The average weekly number of employees was 6 7

4	DIRECTORS' EMOLUMENTS		1999
	Fees	-	-
	Other emoluments (including pension contributions)	<u>82,221</u>	<u>76,615</u>
		<u>£82,221</u>	<u>£76,615</u>

There are three directors to whom benefits are accruing under a money purchase pension scheme.

5	OPERATING PROFIT		1999
	This is stated after charging/(crediting) :		
	Depreciation – owned fixed assets	£ 40,037	£ 45,596
	– assets held under finance lease	4,500	-
	Directors' remuneration	82,221	76,615
	Auditors' remuneration - audit services	1,000	1,000
	- non audit service	3,250	3,000
	Gain on sale of fixed assets	(574)	(2,161)
	Capital grant released	<u>(112)</u>	<u>(131)</u>

Directors' remuneration consists of :

Remuneration for executive services	76,574	70,968
Pension contributions	<u>5,647</u>	<u>5,647</u>
	<u>£ 82,221</u>	<u>£ 76,615</u>

6	INTEREST PAYABLE		1999
	Bank overdraft interest	2,128	3,194
	Hire purchase interests	847	191
	Finance lease interest	<u>360</u>	<u>-</u>
		<u>£ 3,335</u>	<u>£ 3,385</u>

GEORGE MARSHALL (ANCRUM) LTD

NOTES TO THE ACCOUNTS (Cont'd)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

1999

In respect of the year under review :

Corporation tax	-	-
Deferred taxation	-	-
	<u>£</u>	<u>£</u>
	-	-

8 TANGIBLE ASSETS

	Heritable property & improvements	Plant machinery & vehicles	Total
Cost :			
At 30 June 1999	365,163	360,708	725,871
Additions	32,279	54,630	86,909
Disposals	-	(62,322)	(62,322)
	<u>397,442</u>	<u>353,016</u>	<u>750,458</u>
At 30 June 2000			
Depreciation :			
At 30 June 1999	36,304	208,820	245,124
Disposals	-	(43,346)	(43,346)
Charge for year	5,586	38,951	44,537
	<u>41,890</u>	<u>204,425</u>	<u>246,315</u>
At 30 June 2000			
Net book value at 30 June 2000	<u>£355,552</u>	<u>£148,591</u>	<u>£504,143</u>
Net book value at 30 June 1999	<u>£328,859</u>	<u>£151,888</u>	<u>£480,747</u>

The net book value of tangible assets includes an amount of £13,500 (1999 £Nil) in respect of assets held under finance leases.

9 DEBTORS

1999

Trade debtors	6,017	1,101
Other debtors	6,106	48,890
Prepayments	4,130	5,747
Corporation Tax	-	-
	<u>£16,253</u>	<u>£55,738</u>

GEORGE MARSHALL (ANCRUM) LTD

NOTES TO THE ACCOUNTS (Cont'd)

10 CREDITORS	2000		1999	
	Amounts falling due within one year	Amounts falling due after more than one year	Amounts falling due within one year	Amounts falling due after more than one year
Bank overdraft	-	-	37,191	-
Hire purchase and finance lease obligations	16,965	28,682	5,513	22,287
Trade creditors	40,245	-	16,244	-
Loans from directors	24,719	-	25,595	-
Corporation tax	-	-	-	-
Other taxation and social security	4,765	-	2,157	-
Accruals and deferred income	11,967	-	10,743	-
	<u>£ 98,661</u>	<u>£ 28,682</u>	<u>£ 97,443</u>	<u>£ 22,287</u>
Payable within five years		<u>£ 28,682</u>		<u>£ 22,287</u>

11 DEFERRED TAXATION

Deferred taxation provided in the accounts and the amount of the total potential liability unprovided are as follows :

	Amount provided		Amount not provided	
	2000	1999	2000	1999
Capital allowances in advance of depreciation	12,000	12,868	-	-
Trading losses	(12,000)	(12,868)	-	-
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

12 DEFERRED INCOME

	Deferred government grants	
	2000	1999
Balance as at 30 June 1999	743	874
Released during year	(112)	(131)
Balance as at 30 June 2000	<u>£ 631</u>	<u>£ 743</u>

13 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2000	1999	2000	1999
Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>	<u>£ 100</u>	<u>£ 100</u>

GEORGE MARSHALL (ANCRUM) LTD

NOTES TO THE ACCOUNTS (Cont'd)

14	CAPITAL COMMITMENTS		1999
	Contracted	£ 5,300	£ 30,000
	Authorised but not contracted	<u>-</u>	<u>-</u>

15 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund.