

JOHNNY RUTHERFORD CONTRACTORS
(HUTTON) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH MAY 2000

GREAVES WEST AND AYRE

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

BERWICK UPON TWEED

I am,



JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED

COMPANY INFORMATION

Directors	J. Rutherford Mrs. J. Rutherford R.J. Rutherford
Secretary	A.M. Lamb
Company Number	SC34005
Registered Office	11 Murray Street Duns Berwickshire TD11 3DF
Auditors	Greaves West and Ayre Chartered Accountants & Registered Auditors 1/3 Sandgate Berwick upon Tweed TD15 1EW
Business Address	Hutton Crofts Hutton Berwickshire TD15 1TS
Bankers	Royal Bank of Scotland p.l.c. High Street Ayton Eyemouth Berwickshire TD14 5QJ
Solicitors	Iain Smith and Partners W.S. 11 Murray Street Duns Berwickshire TD11 3DF

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED

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JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 28TH MAY 2000

The directors present their report and the financial statements for the year ended 28th May 2000.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Principal Activity

The principal activities of the company is agricultural, public works and plant hire contracting and agriculture.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	A Ordinary		B Ordinary	
	2000	1999	2000	1999
J. Rutherford	4,050	4,050	-	-
Mrs. J. Rutherford	1,350	1,350	-	-
R.J. Rutherford	720	720	200	200

Auditors

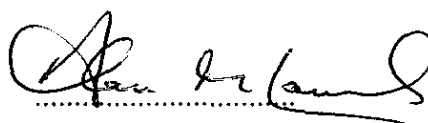
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Greaves West and Ayre be reappointed as auditors of the company will be put to the Annual General Meeting.

Exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on **9TH MARCH 2001.**

And signed on its behalf by



A.M. Lamb
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF
JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED

We have audited the financial statements on pages 3 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of 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

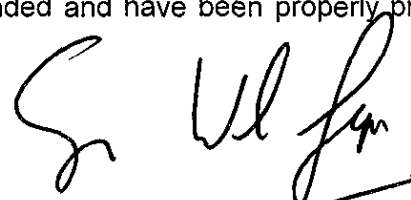
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 28th May 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Greaves West and Ayre
Chartered Accountants and
Registered Auditors
Berwick upon Tweed

DATE: 9th March 2001.

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
BALANCE SHEET AS AT 28TH MAY 2000

<u>1999</u>	<u>Notes</u>	<u>2000</u>
£		£
		£
	Fixed Assets	
298,767	Tangible assets 3	272,753
4,274	Investments 4	4,431
303,041		277,184
	Current Assets	
50,969	Stocks	33,450
134,041	Debtors 5	108,334
100	Cash at bank and in hand	90
185,110		141,874
	Creditors : Amounts falling	
(265,677)	due within one year 6	(279,298)
(80,567)	Net Current Liabilities	(137,424)
222,474	Total Assets Less Current Liabilities	139,760
	Creditors : Amounts falling due	
(40,480)	after more than one year 7	(26,298)
181,994	Net Assets	113,462

The notes on pages 6 to 11 form an integral part of these financial statements.

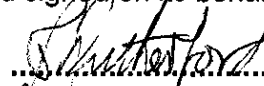
JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
BALANCE SHEET AS AT 28TH MAY 2000

<u>1999</u>	<u>Notes</u>	<u>2000</u>
£		£
	Capital and Reserves	
10,000	Called up share capital 8	10,000
171,994	Profit and loss account	103,462
<u>181,994</u>	Shareholders' Funds	<u>113,462</u>

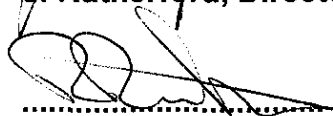
The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on **9th MARCH 2001.**

And signed on its behalf by



J. Rutherford, Director



R.J. Rutherford, Director

The notes on pages 6 to 11 form an integral part of these financial statements.

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28TH MAY 2000

<u>1999</u>		<u>Notes</u>	<u>2000</u>
£			£
694,630	Turnover	2	680,269
(565,980)	Cost of sales		(552,495)
<u>128,650</u>	Gross profit		<u>127,774</u>
(197,220)	Administrative expenses		(181,795)
164	Other operating income		-
<u>(68,406)</u>	Operating loss	9	<u>(54,021)</u>
175	Investment income	10	157
<u>(19,435)</u>	Interest payable and similar charges	11	<u>(14,669)</u>
	Loss on ordinary		
<u>(87,666)</u>	activities before taxation		<u>(68,533)</u>
	Tax on loss on		
16,963	ordinary activities	14	-
<u>(70,703)</u>	(Loss) for the year		<u>(68,533)</u>
<u>242,697</u>	Retained profit brought forward		<u>171,995</u>
<u>171,994</u>	Retained profit carried forward		<u>103,462</u>

The notes on pages 6 to 11 form an integral part of these financial statements.

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH MAY 2000

1. Accounting Policies

1.1. Accounting convention

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

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings of a depreciable nature	- 10% Of Cost
Office Equipment	- 15% Reducing Balance
Plant and Machinery	- 20% - 25% Reducing Balance
Motor Vehicles	- 25% Reducing Balance

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 evenly over the period of the lease.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Short term work in progress is valued at the cost of labour and materials, including appropriate overheads.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH MAY 2000

..... continued

3. Tangible fixed assets

	<u>Land and Buildings Freehold</u>	<u>Office Equipment</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
Cost					
Brought forward	17,147	21,384	1,472,235	267,982	1,778,748
Additions	-	-	73,100	6,865	79,965
Disposals/scrapped	-	-	(464,609)	(141,041)	(605,650)
	<u>17,147</u>	<u>21,384</u>	<u>1,080,726</u>	<u>133,806</u>	<u>1,253,063</u>
Depreciation					
Brought forward	16,747	18,016	1,226,284	218,933	1,479,980
On disposals/scrapped	-	-	(442,970)	(141,041)	(584,011)
Charge for the year	200	505	69,658	13,978	84,341
	<u>16,947</u>	<u>18,521</u>	<u>852,972</u>	<u>91,870</u>	<u>980,310</u>
Net book values					
At 28th May 2000	<u>200</u>	<u>2,863</u>	<u>227,754</u>	<u>41,936</u>	<u>272,753</u>
At 28th May 1999	<u>400</u>	<u>3,368</u>	<u>245,951</u>	<u>49,049</u>	<u>298,767</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	<u>2000</u>		<u>1999</u>	
Asset description	<u>Net Book Value</u>	<u>Depreciation Charge</u>	<u>Net Book Value</u>	<u>Depreciation Charge</u>
	£	£	£	£
Plant and machinery	104,243	28,517	139,183	34,753
Motor vehicles	15,471	5,157	27,116	3,067
	<u>119,714</u>	<u>33,674</u>	<u>166,299</u>	<u>37,820</u>

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH MAY 2000

..... continued

4. Fixed Asset Investments

	<u>Unlisted Investments</u>	<u>Total</u>
	£	£
Cost		
At 29th May 1999	4,274	4,274
Additions	157	157
At 28th May 2000	4,431	4,431
Net book values		
At 28th May 2000	4,431	4,431
At 28th May 1999	4,274	4,274

Market value is estimated to be not materially different to cost.

5. Debtors

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	101,568	128,626
Prepayments and accrued income	6,766	5,415
	108,334	134,041

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH MAY 2000

..... continued

6. Creditors : Amounts falling due within one year	<u>2000</u>	<u>1999</u>
	£	£
Bank overdraft	83,226	108,883
Net obligations under finance leases and hire purchase contracts	49,161	43,108
Trade creditors	67,314	47,820
Other taxes and social security costs	26,475	27,760
Directors' accounts	4,564	4,075
Other creditors	36,454	25,792
Accruals and deferred income	12,104	8,239
	<u>279,298</u>	<u>265,677</u>

The bank overdraft is secured by a bond and floating charge over the company's assets.

7. Creditors : Amounts falling due after more than one year	<u>2000</u>	<u>1999</u>
	£	£
Net obligations under finance leases and hire purchase contracts	<u>26,298</u>	<u>40,480</u>

8. Share capital	<u>2000</u>	<u>1999</u>
	£	£
Authorised		
9,000 A Ordinary of £1 each	9,000	9,000
1,000 B Ordinary of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
9,000 A Ordinary of £1 each	9,000	9,000
1,000 B Ordinary of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH MAY 2000

..... continued

9. Operating loss	<u>2000</u>	<u>1999</u>
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	84,341	97,567
Auditors' remuneration	3,500	3,000
	<u> </u>	<u> </u>
10. Income from investments	<u>2000</u>	<u>1999</u>
	£	£
Income from investments	157	175
	<u> </u>	<u> </u>
11. Interest payable and similar charges	<u>2000</u>	<u>1999</u>
	£	£
On loans and overdrafts	5,122	6,953
Hire purchase interest	9,547	12,482
	<u> </u>	<u> </u>
	14,669	19,435
	<u> </u>	<u> </u>
12. Directors' emoluments	<u>2000</u>	<u>1999</u>
	£	£
Remuneration and other benefits	42,134	37,588
	<u> </u>	<u> </u>
	<u>Number</u>	<u>Number</u>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

13. Pension costs

The company operates defined contribution pension schemes in respect of certain employees. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £7,446 (1999 £7,615). There were no outstanding amounts at the year end.

JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH MAY 2000

..... continued

14. Taxation	<u>2000</u>	<u>1999</u>
	£	£
UK current year taxation		
Transfer from deferred taxation	-	(16,963)
	<u> </u>	<u> </u>