

HENRY COLE AND COMPANY LIMITED

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ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2000

WENN TOWNSEND
CHARTERED ACCOUNTANTS



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HENRY COLE AND COMPANY LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2000

Chairman's Report

Whilst during the year 2000 the company managed to achieve a slight increase in sales of some 3.6%, as well as small increase in gross profit, regrettably this was insufficient to cover escalating costs and particularly those relating to fuel.

Due to the very fierce competition still remaining in all sectors of the market place we were unable to pass on all costs as quickly as we would have wished.

One only has to listen to, watch or read the media, to be only too well aware of the crisis still facing the agricultural industry, and which it has been faced with over recent years, without me informing you again.

Your directors assure you that all avenues are continually being explored, with a view to finding any options connected with our trade, which may be taken up to advantage.

In view of the financial result for the year coupled with the agricultural economic situation, your directors feel it would not be prudent to declare a dividend for the year 2000.

Principal Activity

The company is engaged in the sale of animal feeding stuffs, corn, fertilisers and other farm requisites.

Directors

The Directors of the company and their shareholdings during the year were:

		<u>2000</u>	<u>1999</u>
B. G. Taylor	- Managing	5	5
W.H.Cole	- Non-executive	1,236	1,236
S.K. Cole	- Non-executive	1,473	1,473
Miss N.H. Tibble	- Non-executive	5	5
		-----	-----

The retiring Director is W H Cole, who offers himself for re-election.

Dividends

No dividend in respect of the year under review is proposed.

WENN TOWNSEND

HENRY COLE AND COMPANY LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

Directors' Responsibilities

Company Law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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 apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Follow applicable accounting standards, 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 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 of fraud and other irregularities.

Taxation Status

In the opinion of the Directors the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company.

Auditors

Wenn Townsend have expressed their willingness to continue in office and a resolution to re-appoint them as the company's Auditors and to permit the Directors to fix their remuneration will be proposed at the coming Annual General Meeting.

On Behalf of the Board



B.G. Taylor
Managing Director

28th June 2001

HENRY COLE AND COMPANY LIMITED

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF HENRY COLE AND COMPANY LIMITED

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2, the Directors of the company are responsible for the preparation of the 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 whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28th June 2001

Cirencester

Wenn Townsend

Wenn Townsend

Chartered Accountants
and Registered Auditors

HENRY COLE AND COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>Note</u>		<u>2000</u>	<u>1999</u>
Turnover	2	<i>3 1/2 % 67</i>	2,118,711	2,051,800
Cost of Sales			1,932,841	1,849,651
			<hr/>	<hr/>
Gross Profit		<i>20 %</i>	185,870	202,149
<u>Deduct:</u> Selling Costs			34,410	31,123
Administration Charges		<i>Tax 33%</i>	156,089	151,787
Finance Charges - Net			(6,324)	(23,254)
			<hr/>	<hr/>
			184,175	159,656
			<hr/>	<hr/>
<u>Profit on Ordinary Activities before Taxation</u>			1,695	42,493
Taxation	4		1,323	14,032
			<hr/>	<hr/>
<u>Profit on Ordinary Activities after Taxation</u>			372	28,461
Dividends	5		-	28,000
			<hr/>	<hr/>
			372	461
Retained Profits brought forward			367,444	366,983
			<hr/>	<hr/>
Retained Profits			£ 367,816	£ 367,444
			<hr/>	<hr/>

Continuing Operations

All of the activities of the company are classed as continuing.

Recognised Gains or Losses

There were no recognised gains or losses other than the profits for the above two financial years.

HENRY COLE AND COMPANY LIMITEDBALANCE SHEET
31ST DECEMBER 2000

	<u>Note</u>		<u>2000</u>	<u>1999</u>
<u>Tangible Fixed Assets</u>	6		64,758	67,969
<u>Current Assets</u>				
Stock	7	91,457	70,070	
Debtors	8	376,946	368,318	
Cash at Bank and in Hand		114,286	99,889	
		-----	-----	
		582,689	538,277	
<u>Deduct: Creditors (Amounts falling due within One Year)</u>	9	234,991	192,758	
		-----	-----	
			347,698	345,519
			-----	-----
<u>Total Assets less Current Liabilities</u>			412,456	413,488
<u>Deduct: Provision for Liabilities and Charges</u>	10		453	1,857
			-----	-----
			£ 412,003	£ 411,631
			-----	-----
Financed by:				
<u>Called-up Share Capital</u>	11		30,000	30,000
<u>Capital Reserves</u>	12		14,187	14,187
<u>Profit and Loss Account</u>	13		367,816	367,444
			-----	-----
<u>Shareholders Funds - Equity Interests</u>	14		£ 412,003	£ 411,631
			-----	-----

These accounts were approved at a meeting of the Board of Directors on 28th June 2001.

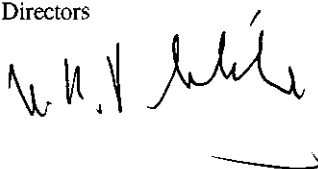
Signed on behalf of the Board:

B G Taylor



Directors

Miss N H Tibble



HENRY COLE AND COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>2000</u>	<u>1999</u>	
Net Cash Inflow/(Outflow) from Operating Activities	33,088	(470,789)	
<u>Returns on Investments and Servicing of Finance:</u>			
Interest Received	6,733	23,253	
Dividends	-	(28,000)	
	<hr/>	<hr/>	
<u>Net Cash Outflow from Returns on Investments and Servicing of Finance</u>	6,733	(4,747)	
<u>Taxation</u>	(2,727)	(14,032)	
<u>Capital Expenditure</u>			
Payments to acquire Tangible Fixed Assets	(25,797)	(795)	
Receipts from Sale of Tangible Fixed Assets	3,100	-	
	<hr/>	<hr/>	
	(18,691)	(14,827)	
	<hr/>	<hr/>	
Net Cash Inflow/(Outflow) from Financing	£ 14,397	£ (490,363)	
	<hr/>	<hr/>	
<u>Increase/(Decrease) in Cash</u>	£ 14,397	£ (490,363)	
	<hr/>	<hr/>	
<u>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</u>			
Operating Profit/Loss	(5,038)	19,240	
Depreciation	25,908	21,635	
Increase/Decrease in Stocks	(21,387)	6,690	
Increase/Decrease in Debtors	(8,628)	10,952	
Increase/Decrease in Creditors	42,233	(529,306)	
	<hr/>	<hr/>	
<u>Net Cash Outflow from Operating Activities</u>	£ 33,088	£ (470,789)	
	<hr/>	<hr/>	
<u>Reconciliation of Net Cash Flow to Movement in Debt</u>			
Increase/Decrease in Cash in Year	14,397	(490,363)	
	<hr/>	<hr/>	
Movement in Net Debt in Year	14,397	(490,363)	
Net Debt at 1st January 2000	99,889	590,252	
	<hr/>	<hr/>	
Net Debt at 31st December 2000	£ 114,286	£ 99,889	
	<hr/>	<hr/>	
<u>Analysis of Changes in Net Debt</u>			
	<u>At</u>	<u>Cash</u>	<u>At</u>
	<u>01.01.00</u>	<u>Flow</u>	<u>31.12.00</u>
Cash in Hand	761	(673)	88
Cash at Bank	99,128	15,070	114,198
	<hr/>	<hr/>	<hr/>
	£ 99,889	£ 14,397	£ 114,286
	<hr/>	<hr/>	<hr/>

HENRY COLE AND COMPANY LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2000****1. Accounting Policies**Accounting Convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is calculated at the following rates and methods:

Transport Vehicles and Equipment	25% reducing balance
Plant and Machinery	20% reducing balance
Motor Vehicles	25% reducing balance
Office Equipment	25% straight line
Computer	25% straight line
Leasehold Property	10% straight line

Office equipment and computers were previously depreciated at rates of 10% and 20% reducing balance.

Stocks

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

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profit computed for taxation purposes and profits as stated in the accounts. Provision is made for deferred taxation to the extent that it is probable that a liability or asset will crystallise. Deferred taxation is calculated at the rate at which it is estimated that the taxation will be paid or recovered. The amount of taxation unprovided is disclosed in the deferred taxation note.

Pension Cost

Contributions in respect of the company's defined contribution pension scheme are charged to the Profit and Loss Account in the year in which they are payable to the Scheme.

2. Turnover and Profita) Turnover

Turnover represents the invoiced amount of goods sold and services provided during the year net of Value Added Tax.

	<u>2000</u>	<u>1999</u>
United Kingdom	£ 2,118,711	£ 2,051,800
	_____	_____

b) Profit/Loss on Ordinary Activities

The profit/loss is stated after charging:

	<u>2000</u>	<u>1999</u>
Depreciation	£ 24,243	£ 21,635
Directors' Remuneration	£ 14,247	£ 20,534
Directors' Fees	£ 1,725	£ 1,725
Auditor's Remuneration	£ 4,750	£ 4,000
Bad Debts Provision	£ 2,583	£ 3,581
<u>Other Income</u>		
Interest Received	£ 6,733	£ 23,254
	_____	_____

HENRY COLE AND COMPANY LIMITED**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000**

	<u>2000</u>	<u>1999</u>
3. <u>Employees</u>		
The average weekly number of employees, including Executive Director, during the year was made up as follows:		
Office and Management	6	6
Warehouse and Transport	5	5
	<hr/>	<hr/>
	11	11
	<hr/>	<hr/>
Staff Costs, including Directors, during the year amounted to:		
Wages and Salaries	164,943	149,733
Social Security Costs	14,002	11,270
Other Pension Costs	1,200	2,387
	<hr/>	<hr/>
	£ 180,145	£ 163,390
	<hr/>	<hr/>
4. <u>Taxation</u>		
The charge for taxation is made up as follows:		
Provision for Corporation Tax @ 20%	2,795	12,158
Deferred Taxation	(1,404)	1,557
(Over)/Under Provision in respect of earlier years	(68)	317
	<hr/>	<hr/>
	£ 1,323	£ 14,032
	<hr/>	<hr/>
5. <u>Dividends</u>		
Paid during the year	-	10,000
Proposed	-	18,000
	<hr/>	<hr/>
	£ -	£ 28,000
	<hr/>	<hr/>

HENRY COLE AND COMPANY LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>2000</u>	<u>1999</u>
6. <u>Tangible Fixed Assets</u>		
See Page 12.		
7. <u>Stocks</u>		
The main categories of stocks are:		
Feeding Stuffs	86,258	68,462
Paper Sacks and Sundries	5,199	1,608
	£ 91,457	£ 70,070
8. <u>Debtors</u>		
Trade Debtors	360,628	352,142
Other Debtors	2,619	4,167
Prepayments	13,699	12,009
	£ 376,946	£ 368,318
9. <u>Creditors</u> (Amounts falling due within One Year):		
Trade Creditors	209,774	140,257
Other Creditors	22,422	22,343
Proposed Dividend	-	18,000
Corporation Tax	2,795	12,158
	£ 234,991	£ 192,758
10. <u>Provision for Liabilities and Charges</u>		
Deferred Tax Reserve	£ 453	£ 1,857
Capital Allowances in excess of corresponding charges for depreciation	£ 453	£ 1,857

HENRY COLE AND COMPANY LIMITED**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000**

	<u>2000</u>	<u>1999</u>
11. <u>Share Capital</u>		
Authorised and Issued:		
Ordinary Shares of £1 each	£ 30,000	£ 30,000
	_____	_____
12. <u>Capital Reserve</u>		
Balance 31st December 1999	£ 14,187	£ 14,187
	_____	_____
Balance 31st December 2000	£ 14,187	£ 14,187
	_____	_____
13. <u>Profit and Loss Account</u>		
At 1st January 2000	367,444	366,983
Profit/(Loss) for the Year	372	461
	_____	_____
	£ 367,816	£ 367,444
	_____	_____
14. <u>Movement of Shareholders Funds</u>		
At 1st January 2000	411,631	411,170
Profit for Year after Tax	372	461
	_____	_____
At 31st December 2000	£ 412,003	£ 411,631
	_____	_____

HENRY COLE AND COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 20006. Tangible Fixed Assets

	<u>Short Leasehold Property</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>TOTAL</u>
<u>Cost or Book Value</u>					
At 1st January 2000	79,188	11,210	33,013	32,395	155,806
Additions	-	-	23,920	1,877	25,797
Disposals	-	-	26,763	-	26,763
At 31st December 2000	79,188	11,210	30,170	34,272	154,840
<u>Depreciation</u>					
At 1st January 2000	33,754	6,442	24,954	22,687	87,837
Charge for Year	7,919	953	6,803	8,568	24,243
Disposals	-	-	21,998	-	21,998
At 31st December 2000	41,673	7,395	9,759	31,255	90,082
<u>Net Book Value</u>					
At 31st December 2000	£ 37,515	£ 3,815	£ 20,411	£ 3,017	£ 64,758
At 31st December 1999	£ 45,434	£ 4,768	£ 8,059	£ 9,708	£ 67,969