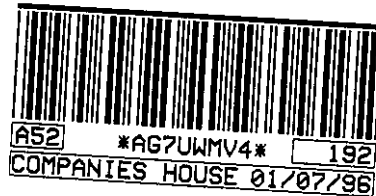


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REGISTRAR

HENRY COLE AND COMPANY LIMITED

ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 1995



HENRY COLE AND COMPANY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1995

Chairman's Report

1995 proved to be yet another difficult year in the animal feed trade industry. Whilst we succeeded in increasing our turnover (13.5%) and maintaining our percentage gross margin, unfortunately for various reasons the increase in turnover was not sufficient to cover increased costs. One major problem for the company was the unavailability of certain products in the quantities which we required, i.e. Wood Shavings used as bedding, due to low requirements of the building industry for timber, sugar beet products and grass products due to the extremely dry summer.

Last November we did take on the distribution of another major manufacturer of equine and dog feeds, the benefits of which should be seen during the current year. This is a range that we could not have entertained had we not have had the Ewen distribution centre.

Your directors have decided to pay a final dividend of 93p making a total of £1.26 for the year.

	<u>1995</u>	<u>1994</u>
<u>Trading Results</u>		
Profit before Tax	33,639	56,542
Taxation	9,761	14,494
	23,878	42,048
Dividends	37,800	41,700
	£(13,922)	£ 348
(Decrease)/Increase carried forward		

Proposed Dividend

The Directors propose a final dividend for the year of £0.93 per share making a total of £1.26 per share (1994 £1.39 per share).

Principal Activity

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

Land and Buildings

The market value of the land and property held by the company at 31st December 1995 was considerably in excess of its book value. In the opinion of the Directors, supported by professional advice, the market value of the company's Freehold Property at 31st December 1995 was in the region of £750,000.

HENRY COLE AND COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1995

Directors

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

	<u>1995</u>	<u>1994</u>
B.G. Taylor - Managing	5	5
W.H. Cole - Non-Executive	1,236	1,239
S.K. Cole - Non-Executive	943	943
Miss. N.H. Tibble - Non-Executive	5	5
J.R. Bragg - Executive	3	-

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

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 the 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:

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.
4. 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.

HENRY COLE AND COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1995

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

Messrs. 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.

By Order of the Board



B.G. Taylor
MANAGING DIRECTOR

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

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 2, the Directors of the company are responsible for the preparation of accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements 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 considered 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

22nd March 1996

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 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
Turnover	2	2,805,733	2,645,001
Cost of Sales		2,634,485	2,460,072
		<hr/>	<hr/>
GROSS PROFIT		171,248	184,929
<u>Deduct:</u> Selling Costs		26,446	27,432
Administration Charges		112,850	104,202
Finance Charges - Net		(1,857)	(3,130)
		<hr/>	<hr/>
		137,499	128,504
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>		33,809	56,425
Other Income	2	(170)	117
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		33,639	56,542
Taxation	4	9,761	14,494
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		23,878	42,048
<u>Deduct:</u> Interim Dividend Paid		9,900	9,900
Proposed Dividend		27,900	31,800
		<hr/>	<hr/>
		37,800	41,700
		<hr/>	<hr/>
		(13,922)	348
Retained Profits brought forward		436,539	436,191
		<hr/>	<hr/>
Retained Profits carried forward		£ 422,617	£ 436,539
		<hr/>	<hr/>

Total Recognised Gains and Losses
The company made no recognised gains or losses other than the profit for the above two financial years.

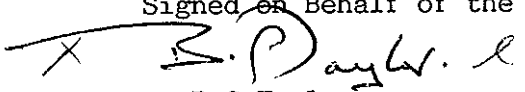
Continuing Operations
None of the companies activities were acquired or discontinued during the above two financial years.


HENRY COLE AND COMPANY LIMITEDBALANCE SHEET
31ST DECEMBER 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>Tangible Fixed Assets</u>	5	162,513	186,910
<u>Current Assets</u>			
Stock and Work in Progress	6	172,227	113,461
Debtors	7	466,427	432,898
Cash in Hand and at Bank		80	14,996
		<hr/>	<hr/>
		638,734	561,355
<u>Deduct: Creditors (Amounts falling due within One Year)</u>	8	318,244	256,437
		<hr/>	<hr/>
		320,490	304,918
<u>Total Assets less Current Liabilities</u>		483,003	491,828
<u>Deduct: Provision for Liabilities and Charges</u>	9	16,199	11,102
		<hr/>	<hr/>
		£466,804	£480,726
<u>Financed by:</u>			
<u>Called-Up Share Capital</u>	10	30,000	30,000
<u>Capital Reserves</u>	11	14,187	14,187
		<hr/>	<hr/>
<u>Profit and Loss Account</u>	12	44,187	44,187
		422,617	436,539
		<hr/>	<hr/>
<u>Shareholders Funds - Equity Interests</u>		£466,804	£480,726
		<hr/>	<hr/>

These accounts were approved at a meeting of the Board of Directors on 27th February 1996.

Signed on Behalf of the Board:


B G Taylor


Miss N H Tibble

DIRECTORS

HENRY COLE AND COMPANY LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u>	<u>1994</u>
<u>Net Cash Flow from Operating Activities:</u>		
Operating Profit	31,725	53,295
Depreciation	22,355	27,950
	<hr/>	<hr/>
	54,080	81,245
(Increase) in Stocks	(58,766)	(31,928)
(Increase) in Debtors	(28,980)	(80,927)
(Decrease)/Increase in Creditors	(2,307)	77,861
	<hr/>	<hr/>
	(90,053)	(34,994)
	<hr/>	<hr/>
	(35,973)	46,251
<u>Net Cash Flow from Returns on</u>		
<u>Investments and Services of Finance:</u>		
Loan Interest Received	(55)	(117)
Bank Interest Received	(1,857)	(3,139)
Dividends Paid	41,700	41,700
	<hr/>	<hr/>
	39,788	38,444
	<hr/>	<hr/>
	(75,761)	7,807
<u>Taxation:</u>		
Corporation Tax	15,448	14,739
	<hr/>	<hr/>
	(91,209)	(6,932)
<u>Investing Activities:</u>		
Loans Repaid	1,170	1,180
Expenditure on Tangible Assets	(21,558)	(84,827)
Proceeds on Sale of Tangible Assets	23,600	4,000
	<hr/>	<hr/>
	3,212	(79,647)
	<hr/>	<hr/>
(Decrease) in Cash Balances	£(87,997)	£(86,579)
	<hr/>	<hr/>

Analysis of Cash Balances shown on the Balance Sheet:

	<u>1994</u>	<u>1995</u>	<u>Change</u>
Bank Balances	14,866	(73,081)	(87,947)
Cash Balances	130	80	(50)
	<hr/>	<hr/>	<hr/>
	£ 14,996	£(73,001)	£(87,997)
	<hr/>	<hr/>	<hr/>

HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is calculated on a depreciating balance basis at the following rates:

Transport Vehicles and Equipment	25%
Plant and Machinery	20%
Motor Vehicles	25%
Office Equipment	10%
Computer	20%

Freehold property and fixtures are depreciated on a straight line basis over 50 years.

Leasehold property is depreciated on a straight line basis over the term of the lease - 10 years.

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 PROFIT

a) Turnover

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

<u>Turnover</u>		<u>Profit</u>	
1995	1994	1995	1994
£2,805,733	£2,645,001	£ 23,878	£ 42,048
<hr/>	<hr/>	<hr/>	<hr/>

HENRY COLE AND COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 19952. TURNOVER AND PROFITb) Profit on Ordinary Activities

The profit is stated after charging:

	<u>1995</u>	<u>1994</u>
Depreciation	£ 22,353	£ 27,951
Directors' Remuneration	£ 36,487	£ 33,454
Directors' Fees	£ 1,725	£ 1,769
Directors' Pension Costs	£ 5,407	£ 3,488
Auditor's Remuneration	£ 3,293	£ 3,150
Bad Debts Provision	£ 6,127	£ 9,097
	<hr/>	<hr/>
<u>Other Income</u>		
Loan Interest	55	117
Net Rental (Expenditure)	(225)	-
	<hr/>	<hr/>
	£ (170)	£ 117
	<hr/>	<hr/>

3. EMPLOYEES

The average weekly number of employees, including Directors, during the year was made up as follows:

Office and Management	10	10
Manufacturing and Transport	9	9
	<hr/>	<hr/>
	19	19
	<hr/>	<hr/>

Staff Costs, including Directors, during the year amounted to:

Wages and Salaries	190,786	177,504
Social Security Costs	16,606	17,051
Other Pension Costs	7,115	4,907
	<hr/>	<hr/>
	£214,507	£199,462
	<hr/>	<hr/>

4. TAXATION

The charge for taxation is made up as follows:

Transfer to/(from) Deferred Taxation at 25%	5,097	(954)
Provision for Corporation Tax at 25%	4,664	15,448
	<hr/>	<hr/>
	£ 9,761	£ 14,494
	<hr/>	<hr/>

HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u>	<u>1994</u>
5. <u>TANGIBLE FIXED ASSETS</u> See Page 12.		
6. <u>STOCKS</u> The main categories of stocks are:		
Feeding Stuffs and Fertilisers	153,729	100,015
Paper Sacks and Sundries	18,498	13,446
	<hr/>	<hr/>
	£172,227	£113,461
7. <u>DEBTORS</u>		
Trade Debtors	411,811	358,611
Other Debtors	7,243	17,772
Prepayments	33,704	47,395
A.C.T Recoverable	13,669	7,950
Loans	-	1,170
	<hr/>	<hr/>
	£466,427	£432,898
8. <u>CREDITORS</u> (Amounts falling due within One Year):		
Trade Creditors	161,852	167,880
Other Creditors	32,464	26,717
Accruals	15,040	17,066
Proposed Dividend	27,900	31,800
Corporation Tax	932	5,024
Advance Corporation Tax on Proposed Dividend	6,975	7,950
Bank Overdraft	73,081	-
	<hr/>	<hr/>
	£318,244	£256,437
9. <u>PROVISION FOR LIABILITIES AND CHARGES</u>		
Deferred Tax Reserve	£ 16,199	£ 11,102
Comprising:		
Capital Allowances in excess of corresponding charges for depreciation	16,292	16,139
Other timing differences	(93)	(5,037)
	<hr/>	<hr/>
	£ 16,199	£ 11,102

HENRY COLE AND COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u>	<u>1994</u>
10. <u>SHARE CAPITAL</u>		
Authorised and Issued:		
Ordinary Shares of £1 each	£ 30,000	£ 30,000
	_____	_____
11. <u>CAPITAL RESERVE</u>		
Balance 31st December 1994	£ 14,187	£ 14,187
	_____	_____
Balance 31st December 1995	£ 14,187	£ 14,187
	_____	_____
12. <u>MOVEMENT OF SHAREHOLDERS' FUNDS</u>		
At 1st January 1995	480,726	480,378
Profit for Year After Tax	23,878	42,048
Dividends	(37,800)	(41,700)
	_____	_____
At 31st December 1995	£466,804	£480,726
	_____	_____

HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 19956. TANGIBLE FIXED ASSETS

	<u>Freehold Property and Fixtures</u>	<u>Short Leasehold Property</u>	<u>Transport Vehicles</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>TOTAL</u>
<u>Cost or Book Value</u>							
At 31st December 1994	70,942	44,047	106,212	237,959	42,583	14,908	516,651
Additions	-	-	-	9,377	11,125	1,056	21,558
Disposals	-	-	(106,212)	(2,500)	(11,024)	-	(119,736)
At 31st December 1995	70,942	44,047	-	244,836	42,684	15,964	418,473
<u>Depreciation</u>							
At 31st December 1994	6,821	1,101	87,699	206,569	17,145	10,406	329,741
Charge for Year	1,000	4,404	-	8,111	7,442	1,004	21,961
Disposals	-	-	(87,699)	(2,285)	(5,758)	-	(95,742)
At 31st December 1995	7,821	5,505	-	212,395	18,829	11,410	255,960
<u>Net Book Value</u>							
At 31st December 1995	£ 63,121	£ 38,542	£ -	£ 32,441	£ 23,855	£ 4,554	£162,513
At 31st December 1994	£ 64,121	£ 42,946	£ 18,513	£ 31,390	£ 25,438	£ 4,502	£186,910