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HENRY COLE AND COMPANY LIMITED

ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 1994



HENRY COLE AND COMPANY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1994

Chairman's Report

You may recall that in the Directors Report of 1993 attention was drawn to the increasing volume of material being handled in bags which was creating a major pressure on the very restricted facilities at Cotswold Mills. We are pleased to advise you that additional premises for a "distribution centre" were found. These were a set of farm buildings which we have converted at Purlieus Farm, Ewen, on the outskirts of Cirencester. The move to this 18,000 square feet of space was made in November and has already alleviated the pressure at "The Mill" which assists in production.

We are delighted to have shown a 13% increase in turnover for the year and almost maintained the 1993 profits despite the expense of the new distribution centre occurring in the last two months of this year from which little financial benefit was derived at that time.

The directors recommend that the dividends remain unchanged from 1993 i.e. £1.39 per share.

	<u>1994</u>	<u>1993</u>
<u>Trading Results</u>		
Profit before Tax	56,542	57,811
Taxation	14,494	15,200
	42,048	42,611
Dividends	41,700	41,700
	£ 348	£ 911
Increase carried forward		

Proposed Dividend

The Directors propose a final dividend for the year of £1.06 per share making a total of £1.39 per share (1993 £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 1994 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 1994 was in the region of £750,000.

HENRY COLE AND COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1994

Directors

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

		<u>1994</u>	<u>1993</u>
B.G. Taylor	- Managing	5	5
W.H. Cole	- Non-Executive	1,239	1,239
S.K. Cole	- Non-Executive	943	943
Miss. N.H. Tibble	- Non-Executive	5	5
J.R. Bragg	- Executive (Appointed 17 May 1994)	-	-

The retiring Director is J.R. Bragg 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 1994

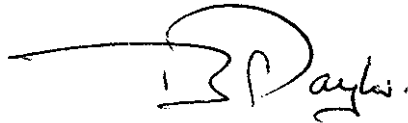
Taxation Status

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

23rd February 1995

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 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

24th February 1995

Cirencester

Wenn Townsend
Wenn Townsend

Chartered Accountants
and Registered Auditors

WENN TOWNSEND

HENRY COLE AND COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
Turnover	2	2,645,001	2,330,315
Cost of Sales		2,460,072	2,155,746
		<hr/>	<hr/>
GROSS PROFIT		184,929	174,569
<u>Deduct:</u> Selling Costs		27,432	23,563
Administration Charges		104,202	92,949
Finance Charges - Net		(3,130)	(1,543)
		<hr/>	<hr/>
		128,504	114,969
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>		56,425	59,600
Other Income	2	117	(1,789)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		56,542	57,811
Taxation	4	14,494	15,200
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		42,048	42,611
<u>Deduct:</u> Interim Dividend Paid		9,900	9,900
Proposed Dividend		31,800	31,800
		<hr/>	<hr/>
		41,700	41,700
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR</u>		348	911
Retained Profits brought forward		436,191	435,280
		<hr/>	<hr/>
Retained Profits carried forward		£ 436,539	£ 436,191
		<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 1994

	Note	1994	1993
<u>Tangible Fixed Assets</u>	5	186,910	134,032
<u>Current Assets</u>			
Stock and Work in Progress	6	113,461	81,533
Debtors	7	432,898	353,162
Cash in Hand and at Bank		14,996	124,027
		<hr/>	<hr/>
		561,355	558,712
<u>Deduct: Creditors (Amounts falling due within One Year)</u>	8	256,437	200,320
		<hr/>	<hr/>
		304,918	358,402
		<hr/>	<hr/>
<u>Total Assets less Current Liabilities</u>		491,828	492,434
<u>Deduct: Provision for Liabilities and Charges</u>	9	11,102	12,056
		<hr/>	<hr/>
		£480,726	£480,378
		<hr/>	<hr/>
Financed by:			
<u>Called-Up Share Capital</u>	10	30,000	30,000
<u>Capital Reserves</u>	11	14,187	14,187
		<hr/>	<hr/>
		44,187	44,187
<u>Profit and Loss Account</u>	12	436,539	436,191
		<hr/>	<hr/>
<u>Shareholders Funds - Equity Interests</u>		£480,726	£480,378
		<hr/>	<hr/>

These accounts were approved at a meeting of the Board of Directors on 23rd February 1995.

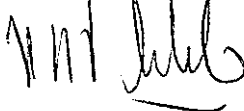
Signed on Behalf of the Board:

B G Taylor



DIRECTORS

Miss N. H. Tibble



HENRY COLE AND COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>1994</u>	<u>1993</u>
<u>Net Cash Flow from Operating Activities:</u>		
Operating Profit	53,295	56,038
Depreciation	27,950	20,984
Goodwill Written Off	-	1,250
	81,245	78,272
(Increase)/Decrease in Stocks	(31,928)	23,367
(Increase)/Decrease in Debtors	(80,927)	75,435
Increase/(Decrease) in Creditors	77,861	(24,648)
	(34,994)	74,154
	46,251	152,426
<u>Net Cash Flow from Returns on Investments and Services of Finance:</u>		
Loan Interest Received	(117)	(230)
Bank Interest Received	(3,139)	(1,543)
Dividends Paid	41,700	38,400
	38,444	36,627
<u>Taxation:</u>	7,807	115,799
Corporation Tax	14,739	7,166
	(6,932)	108,633
<u>Investing Activities:</u>		
Loans Repaid	1,180	783
Expenditure on Tangible Assets	(84,827)	-
Proceeds on Sale of Tangible Assets	4,000	-
	(79,647)	783
(Decrease)/Increase in Cash Balances	£(86,579)	£109,416

Analysis of Cash Balances shown on the Balance Sheet:

	<u>1993</u>	<u>1994</u>	<u>Change</u>
Bank Balances	101,454	14,866	(86,588)
Cash Balances	121	130	9
	£101,575	£ 14,996	£(86,579)

WENN TOWNSEND

HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1994

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>	
<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
£2,645,001	£2,330,315	£ 42,048	£ 42,611
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HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1994

2. TURNOVER AND PROFIT

b) Profit on Ordinary Activities

The profit is stated after charging:

	<u>1994</u>	<u>1993</u>
Depreciation	£ 27,951	£ 20,984
Directors' Remuneration	£ 33,454	£ 26,260
Directors' Fees	£ 1,769	£ 1,538
Directors' Pension Costs	£ 3,488	£ 3,218
Auditor's Remuneration	£ 3,150	£ 3,135
Bad Debts Provision	£ 9,097	£ (776)
Goodwill Written Off	£ -	£ 1,250
<u>Other Income</u>	_____	_____
Loan Interest	117	230
Net Rental (Expenditure)/Income	-	(2,019)
	_____	_____
	£ 117	£ (1,789)
	_____	_____

3. EMPLOYEES

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

Office and Management	10	11
Manufacturing and Transport	9	7
	_____	_____
	19	18
	_____	_____

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

Wages and Salaries	177,504	167,433
Social Security Costs	17,051	16,888
Other Pension Costs	4,907	6,683
	_____	_____
	£199,462	£191,004
	_____	_____

4. TAXATION

The charge for taxation is made up as follows:

Transfer from Deferred Taxation at 25%	(954)	(264)
Provision for Corporation Tax at 25%	15,448	15,464
	_____	_____
	£ 14,494	£ 15,200
	_____	_____

HENRY COLE AND COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>1994</u>	<u>1993</u>
5. <u>TANGIBLE FIXED ASSETS</u> See Page 12.		
6. <u>STOCKS</u> The main categories of stocks are:		
Feeding Stuffs and Fertilisers	100,015	72,263
Paper Sacks and Sundries	13,446	9,270
	<hr/>	<hr/>
	£113,461	£ 81,533
7. <u>DEBTORS</u>		
Trade Debtors	358,611	302,582
Other Debtors	17,772	5,252
Prepayments	47,395	35,028
A.C.T Recoverable	7,950	7,950
Loans	1,170	2,350
	<hr/>	<hr/>
	£432,898	£353,162
8. <u>CREDITORS</u> (Amounts falling due within One Year):		
Trade Creditors	167,880	96,902
Other Creditors	26,717	26,279
Accruals	17,066	10,621
Proposed Dividend	31,800	31,800
Corporation Tax	5,024	4,316
Advance Corporation Tax on Proposed Dividend	7,950	7,950
Bank Overdraft	-	22,452
	<hr/>	<hr/>
	£256,437	£200,320
9. <u>PROVISION FOR LIABILITIES AND CHARGES</u>		
Deferred Tax Reserve	£ 11,102	£ 12,056
Comprising:		
Capital Allowances in excess of corresponding charges for depreciation	16,139	16,474
Other timing differences	(5,037)	(4,418)
	<hr/>	<hr/>
	£ 11,102	£ 12,056

HENRY COLE AND COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>1994</u>	<u>1993</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 1993	£ 14,187	£ 14,187
	_____	_____
Balance 31st December 1994	£ 14,187	£ 14,187
	_____	_____
12. <u>MOVEMENT OF SHAREHOLDERS' FUNDS</u>		
At 1st January 1994	480,378	479,467
Profit for Year After Tax	42,048	42,611
Dividends	(41,700)	(41,700)
	_____	_____
At 31st December 1994	£480,726	£480,378
	_____	_____

HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1994

6. TANGIBLE FIXED ASSETS

	Freehold Property and Fixtures	Short Leasehold Property	Transport Vehicles	Plant and Machinery	Motor Vehicles	Office Equipment	TOTAL
<u>Cost or Book Value</u>							
At 31st December 1993	70,942	-	106,212	228,767	34,745	14,908	455,574
Additions	-	44,047	-	11,017	29,763	-	84,827
Disposals	-	-	-	(1,825)	(21,925)	-	(23,750)
At 31st December 1994	70,942	44,047	106,212	237,959	42,583	14,908	516,651
<u>Depreciation</u>							
At 31st December 1993	5,821	-	81,529	200,358	24,405	9,429	321,542
Charge for Year	1,000	1,101	6,170	7,859	7,729	977	24,836
Disposals	-	-	-	(1,648)	(14,989)	-	(16,637)
At 31st December 1994	6,821	1,101	87,699	206,569	17,145	10,406	329,741
<u>Net Book Value</u>							
At 31st December 1994	£ 64,121	£ 42,946	£ 18,513	£ 31,390	£ 25,438	£ 4,502	£186,910
At 31st December 1993	£ 65,121	£ -	£ 24,683	£ 28,409	£ 10,340	£ 5,479	£134,032