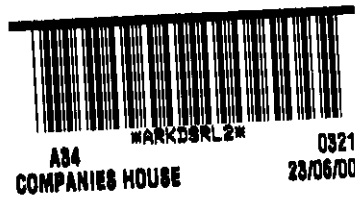


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REGISTRAR
OF COMPANIES

HENRY COLE AND COMPANY LIMITED

ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 1999



WENN TOWNSEND
CHARTERED ACCOUNTANTS

HENRY COLE AND COMPANY LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1999

Chairman's Report

1999 was the second full year of trading at Ewen and whilst trading in general remains extremely competitive your directors are delighted to at least have produced a modest profit for the year.

This has been made possible by keeping costs down, retaining margins and "indirectly" increasing turnover.

The latter statement requires some explanation:-

Whilst turnover is down by some £16,000 most of our fertiliser sales were on a commission only basis, comparatively they would have equated to a sales value of approximately £100,000. Sales made by this method of course does also reflect in the increased gross margin.

As agriculture regrettably is still on the decline, and currently shows no sign of improvement, we continued to broaden our range of products whenever possible as stated in the 1998 report. The new computer system, also mentioned in the same report is now up and running after several "teething" problems. We therefore feel we can now take advantage of the additional information that it has to offer.

Principal Activity

The company is engaged in the sale of animal feeding stuffs, corn, fertilisers and other farm requisites. The former manufacturing activity permanently ceased during September 1997.

Land and Buildings

The company sold its redundant Cotswold Mill in Cirencester during May 1998, for gross proceeds of £633,333.

Directors

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

		<u>1999</u>	<u>1998</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 B.G. Taylor who offers himself for re-election.

Dividends

In addition to the interim dividend of 33.34 pence per share paid during the year, a final dividend of 60 pence per share has been proposed.

HENRY COLE AND COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

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

23rd March 2000

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 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 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

10th April 2000

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 1999

	<u>Note</u>	<u>1999</u>	<u>1998</u>
Turnover	2	2,051,800	2,068,029
Cost of Sales		1,849,651	1,892,297
		<hr/>	<hr/>
<u>Gross Profit</u>		202,149	175,732
<u>Deduct:</u> Selling Costs		31,123	28,304
Administration Charges		151,787	155,030
Finance Charges – Net		(23,254)	(25,836)
		<hr/>	<hr/>
		159,656	157,498
		<hr/>	<hr/>
<u>Profit on Ordinary Activities before Taxation</u>		42,493	18,234
Taxation	4	14,032	9,292
		<hr/>	<hr/>
<u>Profit on Ordinary Activities after Taxation</u>		28,461	8,942
Dividends	5	28,000	558,500
		<hr/>	<hr/>
		461	(549,558)
Retained Profits:			
As Previously Reported		366,983	405,960
Prior Year Adjustment	6	-	24,030
		<hr/>	<hr/>
		366,983	429,990
		<hr/>	<hr/>
Retained Profits/(Losses)		£ 367,444	£ (119,568)
		<hr/>	<hr/>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years with the exception of the milling activity in Cirencester, which ceased during September 1997.

HENRY COLE AND COMPANY LIMITEDBALANCE SHEET
31ST DECEMBER 1999

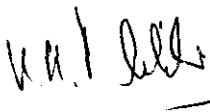
	<u>Note</u>	<u>1999</u>	<u>1998</u>
<u>Tangible Fixed Assets</u>	7	67,969	88,809
<u>Current Assets</u>			
Stock	8	70,070	76,760
Debtors	9	368,318	379,270
Cash at Bank and in Hand		99,889	590,252
		<hr/>	<hr/>
		538,277	1,046,282
<u>Deduct: Creditors (Amounts falling due within One Year)</u>	10	192,758	720,506
		<hr/>	<hr/>
		345,519	325,776
<u>Total Assets less Current Liabilities</u>			
		413,488	414,585
<u>Deduct: Provision for Liabilities and Charges</u>	11	1,857	3,415
		<hr/>	<hr/>
		£ 411,631	£ 411,170
<u>Financed by:</u>			
<u>Called-up Share Capital</u>	12	30,000	30,000
<u>Capital Reserves</u>	13	14,187	14,187
<u>Profit and Loss Account</u>	15	367,444	366,983
		<hr/>	<hr/>
<u>Shareholders Funds - Equity Interests</u>	16	£ 411,631	£ 411,170
		<hr/>	<hr/>

These accounts were approved at a meeting of the Board of Directors on 23rd March 2000.

Signed on behalf of the Board:

 R G Taylor

Directors



Miss N H Tibble

HENRY COLE AND COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED
31ST DECEMBER 1999

	<u>1999</u>	<u>1998</u>
Profit/(Loss) for the Financial Year	461	9,558)
Prior Year Adjustment	-	24,030
Realised Gain on Disposal of Properties	-	486,551
	-----	-----
Total Recognised Gains and (Losses) Relating to the Year	£ 461	£ (38,977)
	-----	-----

HENRY COLE AND COMPANY LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED
31ST DECEMBER 1999

	<u>1999</u>	<u>1998</u>	
Net Cash (Outflow)/Inflow from Operating Activities	(470,789)	488,789	
553,304			
<u>Returns on Investments and Servicing of Finance:</u>			
Interest paid	-	(443)	
Interest Received	23,253	26,280	
Dividends	(28,000)	(558,500)	
	-----	-----	
<u>Net Cash Inflow/(Outflow) from Returns on Investments and Servicing of Finance</u>	(4,747)	(532,663)	
<u>Taxation</u>	(14,032)	158	
<u>Capital Expenditure</u>			
Payments to acquire Tangible Fixed Assets	(795)	(15,169)	
Receipts from Sale of Tangible Fixed Assets	-	563,141	
	-----	-----	
	(14,827)	548,130	
Net Cash (Outflow)/Inflow from Financing	£ (490,363)	£ 568,771	
	-----	-----	
<u>(Decrease)/Increase in Cash</u>	£ (490,363)	£ 568,771	
	-----	-----	
<u>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</u>			
Operating Profit/(Loss)	19,240	(7,603)	
Depreciation	21,635	14,893	
Decrease in Stocks	6,690	7,555	
Decrease in Debtors	10,952	69,862	
(Decrease)/Increase in Creditors	(529,306)	444,567	
Prior year Adjustment	-	24,030	
	-----	-----	
<u>Net Cash (Outflow)/Inflow from Operating Activities</u>	£ (470,789)	£ 553,304	
	-----	-----	
<u>Reconciliation of Net Cash Flow to Movement in Debt</u>			
(Decrease)/Increase in Cash in Year	(490,363)	568,771	
	-----	-----	
Movement in Net Debt in Year	(490,363)	568,771	
Net Debt at 1st January 1999	590,252	21,481	
	-----	-----	
Net Debt at 31st December 1999	£ 99,889	£ 590,252	
	-----	-----	
<u>Analysis of Changes in Net Debt</u>			
	<u>At</u>	<u>Cash</u>	<u>At</u>
	<u>01.01.99</u>	<u>Flow</u>	<u>31.12.99</u>
Cash in Hand	76	685	761
Cash at Bank	590,176	(491,048)	99,128
	-----	-----	-----
	£ 590,252	£ (490,363)	£ 99,889
	-----	-----	-----

HENRY COLE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1999

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 Profit**

a) **Turnover**

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

	<u>1999</u>	<u>1998</u>
United Kingdom	£ 2,051,800	£ 2,068,029
	<hr/>	<hr/>

b) **Profit/Loss on Ordinary Activities**

The profit/loss is stated after charging:

	<u>1999</u>	<u>1998</u>
Depreciation	£ 21,635	£ 14,893
Directors' Remuneration	£ 20,534	£ 20,741
Directors' Fees	£ 1,725	£ 1,725
Auditor's Remuneration	£ 4,000	£ 3,600
Bad Debts Provision	£ 3,581	£ 1,377
<u>Other Income</u>		
Interest Received	£ 23,254	£ 26,280
	<hr/>	<hr/>

HENRY COLE AND COMPANY LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

	<u>1999</u>	<u>1998</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	5
Warehouse and Transport	5	6
	11	11
Staff Costs, including Directors, during the year amounted to:		
Wages and Salaries	144,397	156,329
Social Security Costs	16,606	16,026
Other Pension Costs	2,387	3,286
	£ 163,390	£ 175,641
4. <u>Taxation</u>		
The charge for taxation is made up as follows:		
Provision for Corporation Tax @ 20%	12,158	10,852
Deferred Taxation	1,557	(1,560)
Under Provision in respect of earlier years	317	-
	£ 14,032	£ 9,292
5. <u>Dividends</u>		
Paid during the year	10,000	75,000
Proposed	18,000	483,500
	£ 28,000	£ 558,500

HENRY COLE AND COMPANY LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

	<u>1999</u>	<u>1998</u>
6. <u>Prior Year Adjustment</u>		
Provision for rates no longer required	£ -	£ 24,030
7. <u>Tangible Fixed Assets</u>		
See Page 12.		
8. <u>Stocks</u>		
The main categories of stocks are:		
Feeding Stuffs	68,462	69,222
Paper Sacks and Sundries	1,608	7,538
	£ 70,070	£ 76,760
9. <u>Debtors</u>		
Trade Debtors	352,142	338,534
Other Debtors	4,167	5,236
Prepayments	12,009	12,630
A.C.T. Recoverable	-	22,870
	£ 368,318	£ 379,270
10. <u>Creditors</u> (Amounts falling due within One Year):		
Trade Creditors	140,257	149,158
Other Creditors	22,343	23,106
Proposed Dividend	18,000	483,500
Corporation Tax	12,158	64,740
	£ 192,758	£ 720,506
11. <u>Provision for Liabilities and Charges</u>		
Deferred Tax Reserve	£ 1,857	£ 3,415
Capital Allowances in excess of corresponding charges for depreciation	£ 1,857	£ 3,415

HENRY COLE AND COMPANY LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

	<u>1999</u>	<u>1998</u>
12. <u>Share Capital</u>		
Authorised and Issued:		
Ordinary Shares of £1 each	£ 30,000	£ 30,000
	_____	_____
13. <u>Capital Reserve</u>		
Balance 31st December 1998	£ 14,187	£ 14,187
	_____	_____
Balance 31st December 1999	£ 14,187	£ 14,187
	_____	_____
14. <u>Investment Property Revaluation Reserve</u>		
Balance 1st January 1999	-	413,959
Disposal in the Year	-	(413,959)
	_____	_____
	£ -	£ -
	_____	_____
15. <u>Profit and Loss Account</u>		
At 1st January 1999	366,983	405,960
Profit/(Loss) for the Year	461	(549,558)
Prior Year Adjustment	-	24,030
Realised Gains	-	486,551
	_____	_____
	£ 367,444	£ 366,983
	_____	_____
16. <u>Movement of Shareholders Funds</u>		
At 1st January 1999	411,170	864,106
Profit/(Loss) for Year after Tax	461	(549,558)
Prior Year Adjustment	-	24,030
Realised Gains	-	486,551
Transfer from Property Revaluation Reserve	-	(413,959)
	_____	_____
At 31st December 1999	£ 411,631	£ 411,170
	_____	_____

HENRY COLE AND COMPANY LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

7. <u>Tangible Fixed Assets</u>	<u>Short Leaschold 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 1999	79,188	11,210	33,013	31,600	155,011
Additions and Revaluation	-	-	-	795	795
At 31st December 1999	79,188	11,210	33,013	32,395	155,806
<u>Depreciation</u>					
At 1st January 1999	24,095	5,251	22,268	14,588	66,202
Charge for Year	9,659	1,191	2,686	8,099	21,635
At 31st December 1999	33,754	6,442	24,954	22,687	87,837
<u>Net Book Value</u>					
At 31st December 1999	£ 45,434	£ 4,768	£ 8,059	£ 9,708	£ 67,969
At 31st December 1998	£ 55,093	£ 5,959	£ 10,745	£ 17,012	£ 88,809