

Co. No 575515

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

ACCOUNTS FOR THE YEAR ENDED

31st JULY 1995



GREAVES, WEST & AYRE

CHARTERED ACCOUNTANTS

BERWICK UPON TWEED

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

Company Number :
575515

Directors :
J.A. Ord (Chairman)
D.S. Frater (Vice-Chairman)
H. Tulip
J.C. Manners
W.A. Curry
C. Manners

Secretary :
I.D. Fairgrieve

Auctioneer :
G.W. Potts

Bankers :
Lloyds Bank P.L.C.
Alnwick
Northumberland

Auditors :
Greaves, West and Ayre
Chartered Accountants and
Registered Auditors
Berwick upon Tweed
Northumberland

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

DIRECTORS REPORT FOR THE YEAR ENDED 31st JULY 1995

Directors

J.A. Ord (Chairman)
D.S. Frater (Vice-Chairman)
H. Tulip
I.C. Manners
W.A. Curry
C. Manners

The directors submit their report and accounts for the year to
31st July 1995

**Responsibility for the Preparation
of the Financial Statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year. In preparing the financial statements, the directors are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and 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 Activities and Business Review

The company's principal activity continued to be that of livestock auctioneers, valuers and estate agents.

During the year the company started to provide auctioneering and related services to other livestock auction marts. This has helped boost the company's profitability.

Unfortunately the company has incurred a substantial bad debt during the year due to the collapse of British Beef Limited, as shown in note 11 to the accounts. However, with the exception of this problem the directors are pleased with the company's financial results and with the increased levels of activity at Acklington Mart, and will continue to seek ways to improve these in the future.

ALNWICK FARMERS LIVESTOCK
AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
DIRECTORS REPORT CONTINUED

	<u>1994</u>	<u>1995</u>
Results and Dividends		
Profit before taxation	37180	42763
Taxation	(12115)	(13868)
Profit after taxation	25065	28895
Proposed dividend	(4500)	(4500)
Transferred to reserves	<u>20565</u>	<u>24395</u>

Fixed Assets

Changes in the company's fixed assets are shown in note 2 to the accounts.

The directors consider the market value of the company's property to be not less than the book value shown in the accounts.

Directors Interests

a) The Shares of the Company	31.7.94	31.7.95
J.A. Ord (Chairman)	200	200
D.S. Frater (Vice-Chairman)	300	350
H. Tulip	250	350
I.C. Manners	300	500
W.A. Curry	300	300
C. Manners	110	250
b) Other Interests		

The amounts of commission earned by the directors on sales by the directors via their independent farming operations requiring disclosure under Schedule 6 of the Companies Act 1985 are given below :-

J.A. Ord	6858.64
D.S. Frater	4950.04
H. Tulip	5120.81
I.C. Manners	419.87
W.A. Curry	1458.58
C. Manners	4822.79

c) Directors Retiring by Rotation

D.S. Frater and H. Tulip offer themselves for re-election.

ALNWICK FARMERS LIVESTOCK
AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
DIRECTORS REPORT CONTINUED

Auditors

A resolution to re-appoint Messrs Greaves, West and Ayre as auditors will be proposed at the Annual General Meeting.

By Order of the Board

I. J. Fairgrieve
.....
Mr. I. Fairgrieve

Secretary

DATE

23rd November 1996
.....

AUDITORS REPORT TO THE MEMBERS OF
ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective Responsibilities of Directors and Auditors

As described on page 2 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

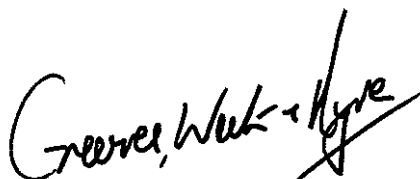
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of 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 31st July 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

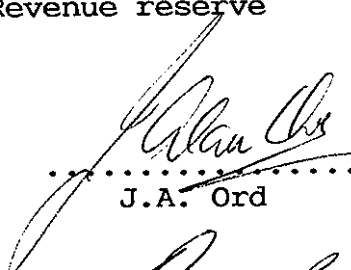
DATE... 24th November 1995

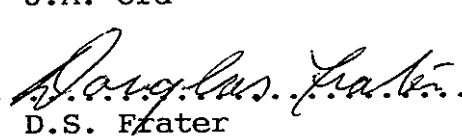


GREAVES, WEST & AYRE
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS
BERWICK UPON TWEED

ALNWICK FARMERS LIVESTOCK
AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
BALANCE SHEET AS AT 31st JULY 1995

<u>1994</u>		<u>Notes</u>	
	FIXED ASSETS		
441,572	Tangible Assets	2	430,948
1,600	Investments	3	101
<u>443,172</u>			<u>431,049</u>
	CURRENT ASSETS		
30,590	Trading stock	4	5,458
686,151	Debtors	5	720,447
2,169	Cash at bank and in hand		1,709
<u>718,910</u>			<u>727,614</u>
	CREDITORS		
586,549	Amounts due within one year	6a	558,121
<u>132,361</u>	NET CURRENT ASSETS		<u>169,493</u>
<u>575,533</u>	TOTAL ASSETS LESS CURRENT LIABILITIES		<u>600,542</u>
	Creditors falling due after one year	6b	2,177
-	Provision for liabilities and charges	7	7,455
9,017			
<u>566,516</u>			<u>590,910</u>
	CAPITAL AND RESERVES		
30,000	Share capital	8	30,000
254,340	Revaluation reserve		254,340
282,176	Revenue reserve		306,570
<u>566,516</u>			<u>590,910</u>

.....  Director
J.A. Ord

.....  Director
D.S. Exater

DATE... 23rd November 1995

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st JULY 1995

<u>1994</u>		<u>Notes</u>	
380,138	Turnover	9	456,788
(332,134)	Administration Expenses		(399,798)
<u>48,004</u>			<u>56,990</u>
4,567	Other Operating Income	10	3,419
<u>52,571</u>	Operating Profit	12	<u>60,409</u>
1,253	Interest Receivable	13	1,879
(16,644)	Interest Payable	14	(19,525)
<u>37,180</u>	Operations Before Taxation		<u>42,763</u>
12,115	Taxation	15	13,868
<u>25,065</u>	Profit for the Financial Year		<u>28,895</u>
(4,500)	Proposed dividend		(4,500)
<u>20,565</u>	Retained Profit for the Year		<u>24,395</u>
261,611	Retained profits brought forward		282,175
<u>282,176</u>	Retained profits carried forward		<u>306,570</u>

There were no further gains or losses during the period other than those shown above.

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st JULY 1995

1994

Net Cash Outflows from Operating

39111 Activities (1993 Outflow) 76046

Returns on Investments and Servicing of Finance

1253	Interest receivable	1879	
(16644)	Interest payable	(19525)	
(4500)	Dividend paid	(4500)	
(19891)			(22146)

Taxation

(15174)	Corporation tax paid	(10673)
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Investing Activities

-	Purchase of fixed assets	(11580)
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<u>4046</u>	<u>Increase in Cash</u>	<u>31647</u>
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ALNWICK FARMERS LIVESTOCK
AUCTION COMPANY LIMITED
NOTES TO THE CASH FLOW STATEMENT

	<u>1994</u>	<u>1995</u>
1. Reconciliation of Operating Profit to Net Cash		
<u>Outflows from Operating Activities</u>		
Operating profit	52571	60409
Depreciation	22886	23703
Increase in stocks	(643)	25132
Increase in debtors	(44017)	(34296)
Increase/(decrease) in creditors	8314	1098
	<u>39111</u>	<u>76046</u>
2. Analysis of Charges in Cash during the Year		
Opening balances	(527519)	(523472)
Net cash inflow/outflow	4046	31647
Closing balances	<u>(523473)</u>	<u>(491826)</u>

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS FOR THE

YEAR ENDED 31st JULY 1995

1. Accounting Policies

a) Depreciation

Depreciation is charged so as to write off the cost of fixed assets over their estimated useful lives. The following rates are used :-

Freehold Buildings		Straight line over 30 years
Mart Equipment	20% -	33% p.a. on reducing balance
Office and Canteen Equipment	10%	p.a. on reducing balance
Computer Equipment and Licences	25%	p.a. on reducing balance

b) Turnover

Turnover consists of commissions and fees earned together with net trading surplus, all exclusive of value added tax.

c) Leased Assets

The company leases motor vehicles on operating leases and the payments on these leases are charged to the profit and loss account over the period of the agreements.

d) Operating Licences

Software operating licences are capitalised and depreciated over their estimated useful life.

e) Deferred Taxation

The company's policy is to provide for deferred taxation in full at a rate of 25% on all timing differences due to accelerated taxation allowances.

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets

	Freehold Property	Plant and Machinery	Office, Computer and Canteen Equipment	Total
Cost				
Brought Forward	425000	95966	40161	561127
Additions	-	11580	-	11580
	425000	107546	40161	572707
Depreciation				
Brought Forward	32499	69077	17979	119555
Charge this Year	10833	7464	3907	22204
	43332	76541	21886	141759
Net Book Value 1995	381668	31005	18275	430948
Net Book Value 1994	392501	26889	22182	441572

Property revaluation

The Company's freehold land and property were valued by Messrs J.M. Clark and Partners, Chartered Surveyors, on an existing use basis at £425,000 on 1st July 1991. Included within this total is land valued at £100,000 which is not depreciated.

Assets held under hire purchase agreements

Included within Plant and Machinery are assets costing £10930 which were purchased by way of a hire purchase agreement. These assets have a net book value of £10,020 at the balance sheet date, with depreciation of £910 charged in the year.

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1994</u>	<u>1995</u>
3. Trade Investments		
100 Ordinary shares in Cheviot Farmers Trading Company Limited	100	100
Lean Management Company Limited	1500	1
	<u>1600</u>	<u>101</u>
4. Stock		
Trading stock	<u>30590</u>	<u>5458</u>
5. Debtors		
Trade debtors	678006	711702
Other debtors	270	-
Prepayments	7875	8745
	<u>686151</u>	<u>720447</u>
6. Creditors		
a)Due Within One Year		
Bank overdraft	112374	65665
Unpresented cheques	413268	427870
Trade creditors	9378	5229
Corporation tax	10672	14305
Advance corporation tax	1125	2250
Other taxes and social security	16155	15914
Accruals	8617	10510
Other creditors	3960	2113
Proposed dividend	4500	4500
Provision for directors fees	6500	6500
Hire purchase creditor	-	3265
	<u>586549</u>	<u>558121</u>
The bank overdraft is secured by a charge over the company's property.		
b)Due After More Than One Year		
Hire purchase creditor	<u>-</u>	<u>2177</u>

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1994</u>	<u>1995</u>
7. Provisions for Charges and Liabilities		
Deferred Taxation		
Brought forward	11005	10142
Transfer for current year	(863)	(437)
	<u>10142</u>	<u>9705</u>
Less : Recoverable advance corporation tax	(1125)	(2250)
	<u>9017</u>	<u>7455</u>
8. Share Capital		
Authorised		
Ordinary £1 shares	<u>30000</u>	<u>30000</u>
Issued and Fully Paid		
Ordinary £1 shares	<u>30000</u>	<u>30000</u>
9. Turnover		
Analysis of turnover by activity :-		
Throughput of mart	<u>15,898,316</u>	<u>17,326,282</u>
Commission earned	370684	392147
Services provided to other marts	-	60262
Certifying fees	1694	2082
Profit on trading	7235	988
Other fees and income	525	1309
	<u>380138</u>	<u>456788</u>
10. Other Operating Income		
Bad debt recovery	2000	2000
Other income	2567	1419
	<u>4567</u>	<u>3419</u>

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1994</u>	<u>1995</u>
11. Exceptional Item		
Bad debt written off	-	31148
	<u> </u>	<u> </u>
12. Operating Profit is Arrived at After Charging		
Depreciation	22886	21294
Auditors remuneration	3100	3200
Lease payments	3135	3420
Staff Costs :		
Wages and salaries	165903	185965
Social security costs	10592	12237
Directors Remuneration :		
Fees	6500	6500
Wages	880	730
The average number of employees during the year was :-		
Full time on the company's activities	8	7
Part time (Including directors)	19	24
13. Interest Receivable		
On debtors balances	1253	1879
	<u> </u>	<u> </u>
14. Interest Payable		
On bank overdraft repayable within 5 years	16644	19454
Hire purchase interest	-	71
	<u>16644</u>	<u>19525</u>

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1994</u>	<u>1995</u>
15. <u>Taxation</u>		
Corporation tax on current earnings at 25%	12978	14305
Deferred taxation transfer at 25%	(863)	(437)
	<u>12115</u>	<u>13868</u>

16. Capital Commitments

There were no capital commitments at 31st July 1995.

17. Contingent Liabilities

The directors are not aware of any contingent liabilities as at 31st July 1995.