

ALNWICK FARMERS LIVESTOCK
AUCTION COMPANY LIMITED
TRADING AS
NORTH EAST LIVESTOCK SALES

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2000

GREAVES WEST AND AYRE

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

BERWICK UPON TWEED



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ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
COMPANY INFORMATION

Directors	C.G. Manners (Chairman) D.S. Frater (Vice-Chairman) I.C. Manners W.A. Curry H. Annett W.M. Davy
Secretary	Miss K. Hill
Company Number	575515
Registered Office	Acklington Auction Mart Acklington Morpeth NE65 9SU
Auditors	Greaves West and Ayre Chartered Accountants & Registered Auditors 1/3 Sandgate Berwick upon Tweed TD15 1EW
Bankers	Lloyds Bank P.L.C. Alnwick Northumberland

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
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ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2000

The directors present their report and the financial statements for the year ended 31st July 2000.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 Activity and Review of the Business

The principal activity of the company continues to be that of livestock auctioneers, valuers and estate agents.

Results And Dividends

The results for the year are set out on page 6.

The directors recommend payment of a final dividend amounting to £3,000.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

		Ordinary shares	
		2000	1999
C.G. Manners	(Chairman)	400	400
D.S. Frater	(Vice-Chairman)	350	350
I.C. Manners		500	500
W.A. Curry		300	300
H. Annett		320	320
W.M. Davy		25	25


ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2000

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Greaves West and Ayre be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 7th November 2000

And signed on its behalf by



Miss K. Hill
Secretary

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

We have audited the financial statements on pages 4 - 5 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 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

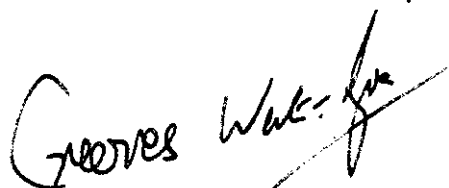
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Greaves West and Ayre
Chartered Accountants and
Registered Auditors
Berwick upon Tweed

DATE : 9th November 2000.

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
BALANCE SHEET AS AT 31ST JULY 2000

<u>1999</u>	<u>Notes</u>	<u>2000</u>
£		£
	Fixed Assets	
408,972	Tangible assets 3	409,116
101	Investments 4	1
<u>409,073</u>		<u>409,117</u>
	Current Assets	
4,438	Stocks 5	12,079
366,440	Debtors 6	394,011
769	Cash at bank and in hand	1,078
<u>371,647</u>		<u>407,168</u>
	Creditors : Amounts falling	
(180,249)	due within one year 7	(195,095)
<u>191,398</u>	Net Current Assets	<u>212,073</u>
600,471	Total Assets Less Current Liabilities	621,190
	Provision for Liabilities	
(7,649)	and Charges 8	(6,521)
<u>592,822</u>	Net Assets	<u>614,669</u>

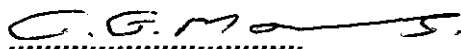
The notes on pages 8 to 16 form an integral part of these financial statements.

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
BALANCE SHEET AS AT 31ST JULY 2000

<u>1999</u>		<u>Notes</u>	<u>2000</u>
£			£
	Capital and Reserves		
30,000	Called up share capital	9	30,000
254,340	Revaluation reserve	10	254,340
45,047	Other reserves	10	64,422
263,435	Profit and loss account	10	265,907
<u>592,822</u>	Equity Shareholders' Funds	17	<u>614,669</u>

The financial statements were approved by the Board on 7th November 2000

And signed on its behalf by



C.G. Manners, Director



D.S. Frater, Director

The notes on pages 8 to 16 form an integral part of these financial statements.

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2000

<u>1999</u> £	<u>Notes</u>	<u>2000</u> £
274,580 Turnover	2	309,338
(298,870) Administrative expenses		(277,029)
5,219 Other operating income		561
<u>(19,071) Operating profit/(loss)</u>	11	<u>32,870</u>
15,305 Profit on sale of fixed assets		-
(Loss) on ordinary		
(3,766) activities before interest		32,870
- Investment income	12	99
(1,732) Interest payable and similar charges	13	(1,952)
Profit/(loss) on ordinary		
(5,498) activities before taxation		31,017
Tax on profit/(loss) on		
(343) ordinary activities	15	(6,170)
Profit/(loss) on ordinary		
(5,841) activities after taxation		24,847
- Dividends	16	(3,000)
<u>(5,841) Retained profit/(loss) for the year</u>		<u>21,847</u>
17,270 Transfer from/(to) bad debt reserve		19,375
<u>286,546 Retained profit brought forward</u>		<u>263,435</u>
<u>263,435 Retained profit carried forward</u>		<u>265,907</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 16 form an integral part of these financial statements.

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2000

<u>1999</u>	<u>Notes</u>	<u>2000</u>
£		£
Reconciliation of operating profit to net cash outflow from operating activities		
(19,071) Operating profit		32,870
22,890 Depreciation		18,235
30,748 (Increase) in stocks		(7,641)
113,382 (Increase) in debtors		(27,571)
(8,981) Increase in creditors		11,411
<u>138,968</u> Net cash inflow from operating activities		<u>27,304</u>

CASH FLOW STATEMENT

138,968 Net cash inflow from operating activities		27,304
(1,732) Returns on investments and servicing of finance	23	(1,952)
4,091 Taxation	23	(751)
(19,351) Capital expenditure and financial investment	23	(18,379)
<u>121,976</u> Increase in cash in the year		<u>6,222</u>

Reconciliation of net cash flow to movement in net debt (Note 24)

121,976 Increase in cash in the year	6,222
<u>(279,248)</u> Net debt at 1st August 1999	<u>(157,272)</u>
<u>(157,272)</u> Net debt at 31st July 2000	<u>(151,050)</u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and Buildings	-	Straight Line over Thirty Years
Plant and Machinery	-	20% Reducing Balance
Office and Canteen Equipment	-	10% Reducing Balance

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method at the rate of 20% to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	<u>2000</u>	<u>1999</u>
Analysis of turnover by activity :-		
Throughput of mart	8,584,528	7,402,465
Commission earned : Normal	287,015	238,492
: Bad debt levy	19,375	17,270
Services provided to other marts	-	16,987
Certifying fees	1,230	955
Valuation fees	275	876
	<u>307,895</u>	<u>274,580</u>

3. Tangible fixed assets

	<u>Freehold Land and Buildings</u>	<u>Plant and Machinery</u>	<u>Office and Canteen Equipment</u>	<u>Total</u>
	£	£	£	£
Cost				
Brought Forward	443,500	119,308	52,615	615,423
Additions	19,094	8,858	4,927	32,879
Disposals	-	(18,600)	-	(18,600)
	<u>462,594</u>	<u>109,566</u>	<u>57,542</u>	<u>629,702</u>
Depreciation				
Brought Forward	85,664	86,822	33,965	206,451
On disposals	-	(4,100)	-	(4,100)
Charge for the year	11,257	4,676	2,302	18,235
	<u>96,921</u>	<u>87,398</u>	<u>36,267</u>	<u>220,586</u>
Net book values				
At 31st July 2000	<u>365,673</u>	<u>22,168</u>	<u>21,275</u>	<u>409,116</u>
At 31st July 1999	<u>357,836</u>	<u>32,486</u>	<u>18,650</u>	<u>408,972</u>

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 £100,00 which is not depreciated.

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

4. Fixed Asset Investments

	<u>Other Unlisted Investments</u>	<u>Total</u>
	£	£
Cost		
At 1st August 1999	101	101
Disposals	(100)	(100)
At 31st July 2000	<u>1</u>	<u>1</u>
Net book values		
At 31st July 2000	<u>1</u>	<u>1</u>
At 31st July 1999	<u>101</u>	<u>101</u>

5. Stocks

	<u>2000</u>	<u>1999</u>
	£	£
Finished goods and goods for resale	<u>12,079</u>	<u>4,438</u>

6. Debtors

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	386,575	354,367
Other debtors	1,592	-
Prepayments and accrued income	5,844	12,073
	<u>394,011</u>	<u>366,440</u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

7. Creditors : Amounts falling due within one year	<u>2000</u> £	<u>1999</u> £
Bank overdraft	151,929	158,041
Trade creditors	2,868	878
Corporation tax	7,300	753
Other taxes and social security costs	9,594	6,062
Other creditors	489	489
Accruals and deferred income	19,915	14,026
Proposed dividend	3,000	-
	<u>195,095</u>	<u>180,249</u>

The bank overdraft is secured by a charge over the companies property.

Bank Overdraft	<u>2000</u> £	<u>1999</u> £
Balance per statement	94,501	25,099
Less : Unpresented purchase ledger cheques	<u>(7,187)</u>	<u>(5,133)</u>
	87,314	19,966
Less : Unpresented sale cheques	<u>(239,243)</u>	<u>(178,007)</u>
	<u>(151,929)</u>	<u>(158,041)</u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

8. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	<u>Provided</u>	
	<u>2000</u>	<u>1999</u>
	£	£
Accelerated capital allowances	<u>6,521</u>	<u>7,649</u>
Movements on the provision for deferred taxation are:		
	<u>2000</u>	<u>1999</u>
	£	£
At 1st August 1999	7,649	7,929
Transferred to profit and loss account	<u>(1,128)</u>	<u>(280)</u>
At 31st July 2000	<u>6,521</u>	<u>7,649</u>

9. Share capital

	<u>2000</u>	<u>1999</u>
	£	£
Authorised equity		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid equity		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

10. Equity Reserves

	<u>Revaluation Reserve</u>	<u>Profit And Loss Account</u>	<u>Special Reserve</u>	<u>Total</u>
	£	£	£	£
At 1st August 1999	254,340	263,435	45,047	562,822
Retained profit/(loss) for the year		2,472		2,472
Other movements	-	-	19,375	19,375
At 31st July 2000	<u>254,340</u>	<u>265,907</u>	<u>64,422</u>	<u>584,669</u>

11. Operating profit/(loss)

	<u>2000</u>	<u>1999</u>
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	18,235	22,890
Operating lease rentals		
- Plant and machinery	3,403	3,571
Auditors' remuneration	3,700	3,700
	<u>18,235</u>	<u>22,890</u>

12. Income from investments

	<u>2000</u>	<u>1999</u>
	£	£
Profit on disposal of investments	99	-
	<u>99</u>	<u>-</u>

13. Interest payable and similar charges

	<u>2000</u>	<u>1999</u>
	£	£
On bank loans and overdrafts	1,952	1,732
	<u>1,952</u>	<u>1,732</u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

14. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	<u>2000</u>	<u>1999</u>
	<u>Number</u>	<u>Number</u>
Full time on the company's activities	5	5
Part time (Including directors)	15	21
	<u>20</u>	<u>26</u>

Employment costs

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Wages and salaries	<u>153,568</u>	<u>161,908</u>

14.1. Directors' emoluments

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Remuneration and other emoluments	<u>8,400</u>	<u>6,500</u>

15. Taxation

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
UK current year taxation		
UK Corporation Tax at 20% (1999 - 20%)	7,300	753
Transfer from deferred taxation	(1,128)	(280)
	<u>6,172</u>	<u>473</u>
Prior years		
UK Corporation Tax	(2)	(130)
	<u>6,170</u>	<u>343</u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

16. Dividends	<u>2000</u>	<u>1999</u>
	£	£
Dividends on equity shares:		
Ordinary shares - Final proposed	3,000	-
	<u> </u>	<u> </u>
 17. Reconciliation of movements in shareholders' funds	 <u>2000</u>	 <u>1999</u>
	£	£
Profit/(loss) for the year	5,472	(23,111)
Dividends	(3,000)	-
	<u>2,472</u>	<u>(23,111)</u>
Other recognised gains or losses	19,375	17,270
	<u>21,847</u>	<u>(5,841)</u>
Net addition to shareholders' funds	592,822	598,663
Opening shareholders' funds	614,669	592,822
	<u> </u>	<u> </u>
 18. Transfer from/(to) bad debts	 <u>2000</u>	 <u>1999</u>
	£	£
From levy collected	(19,375)	(17,270)
	<u> </u>	<u> </u>
 19. Financial commitments		
At 31st July 2000 the company had annual commitments under non-cancellable operating leases as follows:		
	<u>2000</u>	<u>1999</u>
	£	£
Expiry date:		
Within one year	-	3,372
	<u> </u>	<u> </u>

ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED
TRADING AS NORTH EAST LIVESTOCK SALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2000

20. Capital commitments

The directors are not aware of any capital commitments as at 31st July 2000.

21. Contingent liabilities

The directors are not aware of any contingent liabilities as at 31st July 2000.

22. Related party transactions

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

	£
H. Annett	3976
W.A. Curry	922
W.M. Davy	4370
D.S. Frater	4520
C.G. Manners	6349
I.C. Manners	578