

BRIGHTWELLS LIMITED
ABBREVIATED FINANCIAL
STATEMENTS
31 DECEMBER 2001



BAKER TILLY
Chartered Accountants & Registered Auditors
Elgar House
Holmer Road
Hereford
HR4 9SF

BRIGHTWELLS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

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BRIGHTWELLS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

C J A Gallimore - Chairman
T C Court - Director
P W Baldwin - Director
F J A Morgan - Director
M H Rose - Director
T I Parry - Director
R J Grainger - Director

Company secretary

R J Grainger

Registered office

19/21
King Street
Hereford
HR4 9DB

Auditors

Baker Tilly
Chartered Accountants
& Registered Auditors
Elgar House
Holmer Road
Hereford
HR4 9SF

BRIGHTWELLS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

Principal activities and business review

The principal activity of the company during the year was as auctioneers and valuers.

The directors are delighted to report that the company has returned to profitable trading after several years where losses have been incurred. The improved performance of the company has been as a result of a general improvement in most areas of the business brought about by better control of costs, and growing fee income. The directors believe that this improvement in performance can be sustained in the current year, and that the company can look forward to a period of continued growth of both turnover and profits. In view of recent performance the directors recommend that the whole of the post tax profit should be written back to the balance sheet to make good past losses.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.05 each	
	At 31 December 2001	At 1 January 2001
C J A Gallimore	2,750	2,750
T C Court	2,750	2,750
P W Baldwin	2,650	2,650
F J A Morgan	2,750	2,750
M H Rose	2,000	2,000
T I Parry	1,850	1,700
R J Grainger	<u>1,650</u>	<u>1,400</u>

J L Amos retired as a director on 1 September 2001.

N W Gorst was appointed as a director on 1 January 2002.

Fixed assets

The directors are of the opinion that the market value of freehold land and buildings owned by the company is substantially in excess of the historical cost shown in the balance sheet.

BRIGHTWELLS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2001

Auditors

A resolution to re-appoint Baker Tilly as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
19/21
King Street
Hereford
HR4 9DB

Signed by order of the directors



R J Grainger
Company Secretary

Approved by the directors on

5th July 2002

BRIGHTWELLS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2001

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. The directors 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.

BRIGHTWELLS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 16, together with the financial statements of the company for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 16 are properly prepared in accordance with those provisions.

Elgar House
Holmer Road
Hereford
HR4 9SF

5m July 2002.

Baker Tilly .
BAKER TILLY
Chartered Accountants
& Registered Auditors

BRIGHTWELLS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Gross profit		3,565,976	3,248,503
Administrative expenses		3,361,204	3,393,231
Operating profit/(loss)	2	204,772	(144,728)
Interest receivable		33,920	23,726
Amounts written off investments	6	(2)	-
Interest payable	7	(9,521)	(7,921)
Profit/(loss) on ordinary activities before taxation		229,169	(128,923)
Tax on profit/(loss) on ordinary activities	8	(38,000)	-
Retained profit/(loss) for the financial year		191,169	(128,923)
Balance brought forward		474,931	603,854
Balance carried forward		666,100	474,931

The company has no recognised gains or losses other than the results for the
Year as set out above.

All of the activities of the company are classed as continuing.

BRIGHTWELLS LIMITED
ABBREVIATED BALANCE SHEET

31 DECEMBER 2001

	Note	£	2001 £	2000 £
Fixed assets				
Intangible assets	9		13,249	15,749
Tangible assets	10		1,063,516	1,086,331
Investments	11		1,139	1,142
			<u>1,077,904</u>	<u>1,103,222</u>
Current assets				
Stocks	12	-		17,500
Debtors	13	1,326,438		1,944,303
Cash at bank		1,509,001		170,118
		<u>2,835,439</u>		<u>2,131,921</u>
Creditors: amounts falling due within one year	14	<u>(3,195,993)</u>		<u>(2,708,962)</u>
Net current liabilities			<u>(360,554)</u>	<u>(577,041)</u>
Total assets less current liabilities			<u>717,350</u>	<u>526,181</u>
Capital and reserves				
Called-up equity share capital	16		1,350	1,350
Share premium account			49,900	49,900
Profit and loss account			<u>666,100</u>	<u>474,931</u>
Shareholders' funds	17		<u>717,350</u>	<u>526,181</u>

These financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 5th July '02, and are signed on their behalf by:

C J A Gallimore
Director

C. J. Gallimore

BRIGHTWELLS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2001

	Note	£	2001 £	2000 £
Net cash inflow/(outflow) from operating activities	18		1,337,276	(301,183)
Returns on investments and servicing of finance				
Interest received		33,920		23,726
Interest paid		(9,521)		(7,921)
		—————	24,399	15,805
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		(106,900)		(38,788)
Receipts from sale of fixed assets		100,500		-
Acquisition of investments brought forward		-		(250)
		—————	(6,400)	(39,038)
Acquisitions and disposals				
Acquisition of shares in group undertakings			-	(50)
Increase/(decrease) in cash	19		<u>1,355,275</u>	<u>(324,466)</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 6 years straight line

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 16.7%, 25% and 33% straight line

Fixtures & Fittings - 10%, 14%, 20% and 33% straight line

There is no depreciation charge for freehold land and buildings as the company's policy of regular repair and refurbishment means that with its expected high residual value, the charge would be immaterial.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are expected to crystallise in the foreseeable future.

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

1. Accounting policies (*continued*)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments

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

Consolidation

The company and its subsidiary company comprise a medium sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. These accounts are the accounts of this company only.

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2001 £	2000 £
Amortisation	2,500	2,500
Depreciation	46,096	46,553
Profit on disposal of fixed assets	(16,881)	-
Auditors' remuneration		
- as auditors	10,500	10,250
Operating lease costs:		
Land and buildings	97,255	90,000
Plant and equipment	25,965	34,019
Exceptional income	<u>(152,000)</u>	<u>-</u>

Exceptional income comprises insurance receipts relating to the temporary closure of livestock markets as a result of the foot and mouth outbreak, and is included in other operating income.

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2001 No.	2000 No.
Number of administrative staff	17	20
Number of selling staff	59	57
	<u>76</u>	<u>77</u>

The aggregate payroll costs of the above were:

	2001 £	2000 £
Wages and salaries	1,545,806	1,166,670
Social security costs	164,720	124,478
Other pension costs	146,389	119,875
	<u>1,856,915</u>	<u>1,411,023</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2001 £	2000 £
Emoluments receivable	500,176	385,863
Value of company pension contributions to non-money purchase schemes	51,412	39,761
	<u>551,588</u>	<u>425,624</u>

Emoluments of highest paid director:

	2001 £	2000 £
Total emoluments (excluding pension contributions):	<u>69,622</u>	<u>46,437</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001 No.	2000 No.
Defined benefit schemes	<u>8</u>	<u>7</u>

6. Amounts written off investments

	2001 £	2000 £
Amounts written off investments	<u>2</u>	<u>-</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

7. Interest payable

	2001 £	2000 £
Interest payable on bank borrowing	<u>9,521</u>	<u>7,921</u>

8. Tax on profit or loss on ordinary activities

	2001 £	2000 £
Corporation Tax based on the results for the year at 23% (2000 - 20%)	<u>38,000</u>	<u>-</u>

9. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2001 and 31 December 2001	<u>18,249</u>
Amortisation	
At 1 January 2001	2,500
Charge for the year	<u>2,500</u>
At 31 December 2001	<u>5,000</u>
Net book value	
At 31 December 2001	<u>13,249</u>
At 31 December 2000	<u>15,749</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

10. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 January 2001	977,026	56,677	305,421	1,339,124
Additions	83,514	-	23,386	106,900
Disposals	(82,509)	(8,900)	(57,144)	(148,553)
At 31 December 2001	<u>978,031</u>	<u>47,777</u>	<u>271,663</u>	<u>1,297,471</u>
Depreciation				
At 1 January 2001	-	51,865	200,928	252,793
Charge for the year	-	2,317	43,779	46,096
On disposals	-	(7,836)	(57,098)	(64,934)
At 31 December 2001	<u>-</u>	<u>46,346</u>	<u>187,609</u>	<u>233,955</u>
Net book value				
At 31 December 2001	<u>978,031</u>	<u>1,431</u>	<u>84,054</u>	<u>1,063,516</u>
At 31 December 2000	<u>977,026</u>	<u>4,812</u>	<u>104,493</u>	<u>1,086,331</u>

11. Investments

	Shares in Group Undertakings £	Shares in Non Group Undertakings £	Total £
Cost			
At 1 January 2001	891	250	1,141
Disposals	(2)	-	(2)
At 31 December 2001	<u>889</u>	<u>250</u>	<u>1,139</u>
Net book value			
At 31 December 2001	<u>889</u>	<u>250</u>	<u>1,139</u>
At 31 December 2000	<u>891</u>	<u>250</u>	<u>1,141</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

11. Investments (*continued*)

The company owns shares in the following companies:

Name	% Holding	Principal Activity
Osborne and Carlton Limited	Nil	Chartered surveyors
Wales and West Computer Auctions Limited	100%	Livestock auctions by computer systems
Hereford Market Auctioneers Limited	42%	Market auctioneers
AFH Brightwells Limited	49%	Financial advisors
Farmers First plc	<10%	Purchase of lambs for slaughter

The company previously held 100% of the issued share capital of Osborne and Carlton Limited. The company was struck off on 4 December 2001.

Aggregate capital and reserves

	2001 £	2000 £
Osborne and Carlton Limited	-	-
Wales and West Computer Auctions Limited	(232,241)	(217,235)
Hereford Market Auctioneers Limited	111,730	70,984
AFH Brightwells limited	-	-

Profit and (loss) for the year

Osborne and Carlton Limited	-	-
Wales and West Computer Auctions Limited	(14,244)	21,432
Hereford Market Auctioneers Limited	40,746	30,216
AFH Brightwells limited	-	-

Under the provision of section 248 of the above companies are not consolidated into these accounts as the combined group figures are small as defined by the Companies Act 1985

12. Stocks

	2001 £	2000 £
Consumables	-	17,500

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

13. Debtors

	2001 £	2000 £
Trade debtors	968,161	1,533,475
Amounts owed by group undertakings	61,693	85,136
Other debtors	116,083	89,745
Prepayments and accrued income	180,501	235,947
	<u>1,326,438</u>	<u>1,944,303</u>

14. Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	1,451,311	1,467,704
Trade creditors	245,734	316,971
Other creditors	934,289	672,129
Accruals and deferred income	564,659	252,158
	<u>3,195,993</u>	<u>2,708,962</u>

15. Commitments under operating leases

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2001 £	2000 £
Operating leases which expire:		
Within 1 year	60,000	-
Within 2 to 5 years	-	90,000
After more than 5 years	34,100	-
	<u>94,100</u>	<u>90,000</u>

16. Share capital

Authorised share capital:

	2001 £	2000 £
30,000 Ordinary shares of £0.05 each	1,500.00	1,500.00

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>1,350.00</u>	<u>1,350.00</u>

BRIGHTWELLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

17. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit/(loss) for the financial year	191,169	(128,923)
Opening shareholders' equity funds	526,181	655,104
Closing shareholders' equity funds	<u>717,350</u>	<u>526,181</u>

18. Reconciliation of operating profit/(loss) to Net cash inflow/(outflow) from operating activities

	2001 £	2000 £
Operating profit/(loss)	204,772	(144,728)
Amortisation	2,500	2,500
Depreciation	46,096	46,553
Profit on disposal of fixed assets	(16,881)	-
Decrease/(increase) in stocks	17,500	(4,650)
Decrease/(increase) in debtors	617,865	(256,578)
Increase in creditors	465,424	55,720
Net cash inflow/(outflow) from operating activities	<u>1,337,276</u>	<u>(301,183)</u>

19. Reconciliation of net cash flow to movement in net funds

	2001 £	2000 £
Increase/(decrease) in cash in the period	1,355,275	(324,466)
Movement in net funds in the period	<u>1,355,275</u>	<u>(324,466)</u>
Net debt at 1 January 2001	(1,297,586)	(973,120)
Net funds at 31 December 2001	<u>57,690</u>	<u>(1,297,586)</u>

20. Analysis of changes in net funds

	At 1 Jan 2001 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	170,118	1,338,883	1,509,001
Overdrafts	(1,467,704)	16,393	(1,451,311)
Net funds	<u>(1,297,586)</u>	<u>1,355,276</u>	<u>57,690</u>