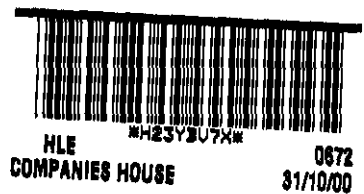


Registered

J DAWSON & SONS
ANNUAL REPORT
YEAR ENDED 30 JUNE 2000
COMPANY NUMBER: 438289

PANNELL KERR FORSTER



J DAWSON & SONS
ANNUAL REPORT
YEAR ENDED 30 JUNE 2000

CONTENTS

Page

1	DIRECTORS' REPORT
2	STATEMENT OF DIRECTORS' RESPONSIBILITIES
3	AUDITORS' REPORT
4	PROFIT AND LOSS ACCOUNT
5	BALANCE SHEET
6	CASH FLOW STATEMENT
7-14	NOTES TO THE FINANCIAL STATEMENTS

J DAWSON & SONS
DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 30 June 2000.

RESULTS

The profit for the financial year after tax amounted to £42,446 (1999: £72,173).

The directors recommend a dividend on the 6% preference shares amounting to £2,117 (1999: £926) but do not recommend the payment of any dividend on the ordinary shares (1999: £Nil).

REVIEW OF THE BUSINESS

The company's principal activity during the year was that of Seedsmen, and Agricultural Merchants. The directors are satisfied with the company's performance in the year and look forward to the coming year with cautious optimism.

DIRECTORS

The directors interests in the shares of the holding company, J Dawson & Sons (Holdings) Limited were as follows:

	2000		1999	
	Preference	Ordinary	Preference	Ordinary
C R Dawson	-	-	4,250	9,495
S H Dawson	-	-	-	-
R A Hagston	-	-	-	-
Mrs S Dawson	-	-	-	-
M I Popplewell (resigned 31 August 2000)	-	-	-	-
R Billinton	-	772	-	772
R Lee (non-executive, appointed 2 August 2000)	-	-	-	-

S H Dawson has a non-beneficial interest as co-trustee in 4,250 preference shares of £1 each, under a settlement dated 12 January 1987 and also 9,495 ordinary shares of £1 each, under a 1989 settlement.

No Directors held shares in J Dawson & Sons.

LAND AND BUILDINGS


The directors estimate that the market value of the company's freehold property is in excess of its book value but in the absence of a recent valuation they are unable to quantify this excess.

AUDITORS

The auditors, Pannell Kerr Forster, Chartered Accountants, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

By order of the board

Date: 24 October 2000

 Director
C R Dawson

J DAWSON & SONS

STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

J DAWSON & SONS

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies set out on page 7.

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 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 affairs of the company as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Registered Auditors

Leeds

30 October 2000

J DAWSON & SONS
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2000

	Notes	2000	1999
		£	£
TURNOVER	2	12,145,855	12,263,446
Cost of sales		<u>10,825,040</u>	<u>10,899,201</u>
GROSS PROFIT		1,320,815	1,364,245
Establishment expenses		123,273	119,184
Distribution costs		588,022	584,527
Administration expenses		562,269	581,359
Other expenses		<u>72,925</u>	<u>72,295</u>
		1,346,489	1,357,365
OPERATING (LOSS) PROFIT		(25,674)	6,880
Interest receivable and similar income	6	<u>79,443</u>	<u>82,366</u>
		53,769	89,246
Interest payable and similar charges	7	<u>(854)</u>	<u>(373)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	52,915	88,873
TAX ON PROFIT ON ORDINARY ACTIVITIES	9	<u>(10,469)</u>	<u>(16,700)</u>
PROFIT FOR THE FINANCIAL YEAR		42,446	72,173
PROPOSED PREFERENCE DIVIDEND – NON EQUITY	10	<u>(2,117)</u>	<u>(926)</u>
RETAINED PROFIT FOR THE YEAR	16	<u>40,329</u>	<u>71,247</u>

All amounts relate to continuing operations. The company has no recognised gains or losses other than the profit for the year.

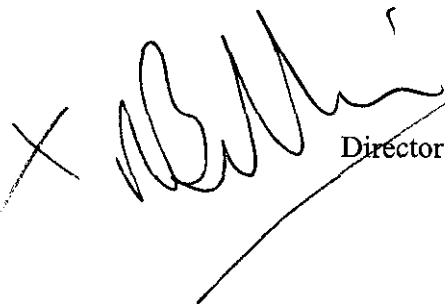
J DAWSON & SONS

BALANCE SHEET

30 JUNE 2000

	Notes	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	11	298,766	317,067
CURRENT ASSETS			
Stock	12	92,969	75,676
Debtors	13	568,281	691,276
Cash at bank and in hand		<u>1,447,767</u>	<u>1,519,141</u>
		2,109,017	2,286,093
CREDITORS - Amounts falling due within one year	14	<u>481,462</u>	<u>717,168</u>
NET CURRENT ASSETS		<u>1,627,555</u>	<u>1,568,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,926,321	1,885,992
NET ASSETS		<u>1,926,321</u>	<u>1,885,992</u>
CAPITAL AND RESERVES			
Called up share capital	15	44,100	44,100
Profit and loss account	16	<u>1,882,221</u>	<u>1,841,892</u>
SHAREHOLDERS' FUNDS	17	<u>1,926,321</u>	<u>1,885,992</u>
Equity		1,904,271	1,863,942
Non equity		<u>22,050</u>	<u>22,050</u>

Approved by the board on 24/10/00 24 October 2000



Director

R Billinton

J DAWSON & SONS
CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2000

	Notes	2000	1999
		£	£
RECONCILIATION OF OPERATING (LOSS) PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit/(loss)		(25,674)	6,880
Depreciation charges		115,102	106,953
Loss/(profit) on sale of fixed assets		(4,566)	1,893
Increase in stock		(17,293)	(40,690)
Decrease in debtors		122,995	28,843
(Decrease)/increase in creditors		<u>(33,991)</u>	<u>99,292</u>
Net cash inflow from operating activities		156,573	203,171
Returns on investment and servicing of finance	18	77,919	81,442
Taxation		(20,082)	(13,319)
Capital expenditure	18	<u>(92,235)</u>	<u>(48,617)</u>
Increase in cash		<u>122,175</u>	<u>222,677</u>
RECONCILIATION OF NET CASHFLOW TO MOVEMENTS IN NET FUNDS			
Increase in cash in the period	19	<u>122,175</u>	<u>222,677</u>
Change in net funds		122,175	222,677
Net funds at 1 July 1999		<u>1,147,161</u>	<u>924,484</u>
Net funds at 30 June 2000		<u>1,269,336</u>	<u>1,147,161</u>

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Basis of accounting

The financial statements set out on pages 4 to 14 are prepared under the historical cost convention.

(b) Tangible fixed assets and depreciation

Tangible assets, other than Freehold land, are depreciated over their estimated useful lives on the following basis:

Freehold buildings	5% reducing balance
Plant and machinery	20% reducing balance, 20% straight line and 33 $\frac{1}{3}$ % straight line
Fixtures, fittings and equipment	15% reducing balance, 20% straight line and 33 $\frac{1}{3}$ % straight line
Motor vehicles	33 $\frac{1}{3}$ % reducing balance

(c) Stocks

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

Cost comprises invoice cost based on the average cost in the season in which the stock was purchased.

(d) Turnover

Turnover represents invoiced sales less allowances, trade discounts and value added tax.

(e) Pension costs

The company operates defined contribution schemes providing benefits for certain employees additional to those from the state. The pension cost charge represents contributions payable by the company to these schemes in respect of the year.

2. TURNOVER

Turnover arose from the company's principal activity and from trading wholly within the UK.

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

3. STAFF PARTICULARS

	2000	1999
	£	£
Staff costs comprised:		
Wages and salaries	500,171	496,273
Social security costs	51,766	49,366
Other pension costs	15,729	15,729
	<u>567,666</u>	<u>561,368</u>
Average number employed in the year (including directors):		
	Number	Number
Warehouse	17	21
Sales	5	5
Administration	4	3
	<u>26</u>	<u>29</u>

4. DIRECTORS' EMOLUMENTS

The aggregate amount of directors' emoluments comprised:

	2000	1999
	£	£
Directors total emoluments	217,778	240,817
Defined contribution scheme pension contributions	15,729	15,729
	<u>233,507</u>	<u>256,546</u>
Number of directors with pension benefits accruing - under defined contribution scheme	<u>2</u>	<u>3</u>
Highest paid director:		
Emoluments	53,896	63,337
Defined contribution scheme pension contributions	15,000	729
	<u>68,896</u>	<u>64,066</u>

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

5. PENSION COSTS

The company makes annual payments to several defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to these funds and amounted to £15,729 (1999: £15,729).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income represented interest receivable on bank and building society deposits.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On bank overdraft not repayable		
by instalments	598	373
Other interest	256	-
	<u>854</u>	<u>373</u>

8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging the following:

Auditors' remuneration	8,350	7,950
Depreciation written off tangible fixed assets	<u>115,102</u>	<u>106,953</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge for the year represented:

	2000	1999
	£	£
Corporation tax on profit for the year		
at 20% (1998: 21%)	10,469	17,703
Deferred taxation	-	(1,003)
	<u>10,469</u>	<u>16,700</u>

10. DIVIDENDS

The dividend comprises of the 6% preference share dividend amounting to £2,117 (1999: £926). No ordinary share dividend has been paid or proposed in 2000 and 1999.

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

11. FIXED ASSETS - TANGIBLE

The movement on these accounts during the year was as follows:

	At 1 July 1999			At 30 June 2000
	£	Additions £	Disposals £	£
Cost				
Freehold land & buildings	253,355	-	-	253,355
Motor vehicles	560,948	132,515	181,602	511,861
Plant and machinery	563,371	-	-	563,371
Fixtures, fittings and equipment	57,711	4,020	-	61,731
	<u>1,435,385</u>	<u>136,535</u>	<u>181,602</u>	<u>1,390,318</u>
	At 1 July 1999 £	Charge for the year £	Eliminated on disposals £	At 30 June 2000 £
Accumulated depreciation				
Freehold land & buildings	154,925	4,648	-	159,573
Motor vehicles	427,082	75,541	141,868	360,755
Plant and machinery	504,768	21,513	-	526,281
Fixtures, fittings and equipment	31,543	13,400	-	44,943
	<u>1,118,318</u>	<u>115,102</u>	<u>141,868</u>	<u>1,091,552</u>
	At 1 July 1999 £			At 30 June 2000 £
Net book amounts				
Freehold land & buildings	98,430			93,782
Motor vehicles	133,866			151,106
Plant and machinery	58,603			37,090
Fixtures, fittings and equipment	26,168			16,788
	<u>317,067</u>			<u>298,766</u>

Freehold land and buildings include land at cost at 30 June 2000 and 1999 of £5,500.

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

12. STOCKS

	2000	1999
Stocks comprised:	£	£
Goods for re-sale	<u>92,969</u>	<u>75,676</u>

13. DEBTORS

Debtors comprised:

Trade debtors	543,306	666,600
Other debtors	<u>24,975</u>	<u>24,676</u>
	<u>568,281</u>	<u>691,276</u>

14. CREDITORS

Creditors comprised:

Amounts falling due within one year:

Bank overdraft	178,431	371,981
Trade creditors	247,967	236,605
Corporation tax	10,469	19,825
Other taxation and social security	-	-
Proposed dividends	2,117	926
Other creditors	19,425	43,575
Accruals	<u>23,053</u>	<u>44,256</u>
	<u>481,462</u>	<u>717,168</u>

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

15. CALLED UP SHARE CAPITAL

There has been no changes in share capital during the year.

	Authorised £	Allotted, Called up and fully Paid £
Ordinary shares of £1 each	22,500	22,050
6% preference shares of £1 each	<u>22,500</u>	<u>22,050</u>
	<u>45,000</u>	<u>44,100</u>

The rights attached to the preference shares in summary are:

1. Distribution of profits shall first be applied in paying to the holders of preference shares a cumulative preferential dividend.
2. The holder of preference shares have no right to receive notice, attend or vote at any General Meeting unless the cumulative preferential dividend on their shares shall be six calendar months in arrears.
3. On winding up any remaining assets shall be applied first in paying to the holders of preference shares the amounts paid up or credited as paid up on such preference shares respectively together with all arrears (if any) and accruals in respect of preference dividends prior to any distribution to ordinary shareholders.

16. RESERVES

The movement on reserves during the year was as follows:

	Profit and loss account £
At 1 July 1999	1,841,892
Retained profit for the year	<u>40,329</u>
At 30 June 2000	<u>1,882,221</u>

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

17. SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds was as follows:

	2000	1999
	£	£
Profit for the financial year	42,446	72,173
Dividends	<u>2,117</u>	<u>926</u>
	40,329	71,247
Balance at 1 July 1999	<u>1,885,992</u>	<u>1,814,745</u>
Balance at 30 June 2000	<u><u>1,926,321</u></u>	<u><u>1,885,992</u></u>

SHAREHOLDERS' FUNDS

- Equity interests	1,904,271	1,863,942
- Non equity interests	<u>22,050</u>	<u>22,050</u>
	<u><u>1,926,321</u></u>	<u><u>1,885,992</u></u>

18. GROSS CASH FLOWS

Returns on investments and servicing of finance

	2000	1999
	£	£
Interest received	79,443	82,741
Interest paid	(598)	(373)
Dividends paid	<u>(926)</u>	<u>(926)</u>
	<u>77,919</u>	<u>81,442</u>

Capital expenditure

Payments to acquire tangible fixed assets	(136,535)	(62,157)
Receipts from sale of tangible fixed assets	<u>44,300</u>	<u>13,540</u>
	<u><u>(92,235)</u></u>	<u><u>(48,617)</u></u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 July	Cash	At 30 June
	1999	flow	2000
	£	£	£
Cash in hand and at bank	1,519,142	(71,375)	1,447,767
Overdrafts	<u>(371,981)</u>	<u>193,550</u>	<u>(178,431)</u>
	<u><u>1,147,161</u></u>	<u><u>122,175</u></u>	<u><u>1,269,336</u></u>

J DAWSON & SONS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000

20. ULTIMATE PARENT COMPANY

The ultimate parent company is J Dawson & Sons (Holdings) Limited, a company incorporated in Great Britain.

21. RELATED PARTY TRANSACTIONS

During the year the company made net purchases of £231,131 (1999: £157,401) of goods from A Dawson & Co (Estates) Limited, a company of which C R Dawson and S H Dawson are directors. All transactions are under normal trading terms. At the year end there is £1,379 included within trade creditors owing to A Dawson & Co Estates Limited (1999: £Nil).

Net purchases of £42,273 (1999: £36,403) of goods were made from High Wold Farmers, a company owned by J Billinton, one of the directors sons. All transactions are under normal trading terms. At the year end there were no amounts outstanding between the two companies (1999: £Nil).