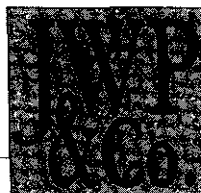


S. P. STEPHENSON LIMITED

1641703

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2001**



J. W. Pickles & Co.

CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

20 - 24 Park Street,
Selby
North Yorkshire
YO8 4PW

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S. P. STEPHENSON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001

The directors present their report and the financial statements of the company for the year ended 30 June 2001.

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;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

Directors

S. P. Stephenson

Mrs E. M. Stephenson

Secretary

Mrs E. M. Stephenson

Registered Office

Manor Farm
Goodmanham
Market Weighton
York, YO43 3JA

Principal Activities

The Company's principal activities during the year were Farming and Haulage Contracting.

Directors

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	30 June 2001	1 July 2000
S. P. Stephenson	250	250
Mrs E. M. Stephenson	260	260

S. P. STEPHENSON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001 (CONT)

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

EM Stephenson
MRS E. M. STEPHENSON - SECRETARY

Date: 31.10.01

S. P. STEPHENSON LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	Note	2001 £	2000 £
TURNOVER	2	537,319	618,894
Cost of sales		376,243	418,367
GROSS PROFIT		161,076	200,527
Net operating expenses	3	166,362	185,230
OPERATING (LOSS)/PROFIT	4	(5,286)	15,297
Interest payable and similar charges		32,862	30,213
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(38,148)	(14,916)
Tax on profit on ordinary activities	6	-	-
RETAINED LOSS FOR THE FINANCIAL YEAR		(38,148)	(14,916)
Retained profit brought forward		60,527	75,443
RETAINED PROFIT CARRIED FORWARD		22,379	60,527

The annexed notes form part of these financial statements.

S. P. STEPHENSON LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2001

	2001 £	2000 £
Loss for the financial year	(38,148)	(14,916)
Total recognised gains and losses relating to the year	<u>(38,148)</u>	<u>(14,916)</u>

S. P. STEPHENSON LIMITED

BALANCE SHEET AT 30 JUNE 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	786,716	872,349
CURRENT ASSETS			
Stocks		64,176	53,185
Debtors	8	80,693	117,188
Investments	9	1	1
Cash at bank and in hand		49	-
		<u>144,919</u>	<u>170,374</u>
CREDITORS			
Amounts falling due within one year	10	<u>308,351</u>	<u>315,908</u>
NET CURRENT LIABILITIES		(163,432)	(145,534)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>623,284</u>	<u>726,815</u>
CREDITORS			
Amounts falling due after more than one year	11	(272,380)	(337,763)
NET ASSETS		<u>350,904</u>	<u>389,052</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Share premium account	13	327,525	327,525
Profit and loss account		22,379	60,527
SHAREHOLDERS' FUNDS		<u>350,904</u>	<u>389,052</u>

The annexed notes form part of these financial statements.

S. P. STEPHENSON LIMITED

BALANCE SHEET AT 30 JUNE 2001 (CONT)

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the board on 31 OCT 2001
ON BEHALF OF THE BOARD

S P Stephenson
S. P. STEPHENSON - DIRECTOR

EM Stephenson
MRS E. M. STEPHENSON - DIRECTOR

The annexed notes form part of these financial statements.

S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 30 June 2001 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 June 2001 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

New Buildings	- 5% Reducing Balance
Plant & Machinery	- 20% Reducing Balance
Lease & Hire Purchase Vehicles	- 25% Reducing Balance
Motor Vehicles	- 20% Reducing Balance

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred Taxation

Deferred taxation represents the tax relieved on Capital Allowances in advance of depreciation.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. The interest is charged to the profit and loss account over the period of the lease.

Pension Costs

The Company operates a defined contribution scheme and the contributions are charged against profits as they are paid.

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

3. NET OPERATING EXPENSES

	2001 £	2000 £
Administrative expenses	177,328	195,435
Other operating income	(10,966)	(10,205)
	<u>166,362</u>	<u>185,230</u>

S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT)

4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2001 £	2000 £
Directors' emoluments	23,789	26,678
Loss on sale of fixed assets	13,457	(6,092)
Depreciation and amortisation of owned assets	65,073	91,458
Accountancy (2000 : Audit)	3,075	3,620

5. DIRECTORS' REMUNERATION

Retirement Benefits are accruing to 1 Director under a money purchase pension scheme (2000 - 1).

6. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge for the Year.

7. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Lease & Hire Purchase Vehicles £	Motor Vehicles £	Total £
Cost					
At 1 July 2000	595,292	76,842	506,293	39,500	1,217,927
Additions	-	5,864	23,483	-	29,347
Revaluations	-	-	-	-	-
Intra-group transfers	-	-	-	-	-
Disposals	-	(6,500)	(90,335)	(36,500)	(133,335)
At 30 June 2001	595,292	76,206	439,441	3,000	1,113,939
Depreciation					
At 1 July 2000	3,709	48,103	272,831	20,935	345,578
Charge for the year	1,716	6,387	55,177	1,793	65,073
Revaluations	-	-	-	-	-
Intra-group transfers	-	-	-	-	-
Elimination on disposals	-	(3,838)	(59,735)	(19,855)	(83,428)
At 30 June 2001	5,425	50,652	268,273	2,873	327,223
Net book value					
At 30 June 2001	589,867	25,554	171,168	127	786,716
At 30 June 2000	591,583	28,739	233,462	18,565	872,349

S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT)

8. DEBTORS

	2001 £	2000 £
Trade debtors	76,191	109,533
Other debtors	4,502	7,655
	<u>80,693</u>	<u>117,188</u>

9. INVESTMENTS

	2001 £	2000 £
At cost:		
Unlisted	1	1
	<u>1</u>	<u>1</u>

10. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank loans and overdrafts	93,872	120,864
Obligations under finance leases and hire purchase contracts	52,845	63,263
Trade creditors	37,572	41,259
Social security and other taxes	9,223	4,753
Other creditors	114,839	85,769
	<u>308,351</u>	<u>315,908</u>

The bank loan and overdraft are secured by a first charge over 93 acres of land at Manor Farm, Goodmanham.

11. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2001 £	2000 £
Obligations under finance leases and hire purchase contracts	82,798	136,562
Other creditors	189,582	201,201
	<u>272,380</u>	<u>337,763</u>

Other creditors amounting to £189,582 is due to the Agricultural Mortgage Corporation plc. These loans are secured by a first charge over 477 acres of land at Arras Wold.

Obligations under finance leases and hire purchase contracts are secured.

S. P. STEPHENSON LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001 (CONT)

12. SHARE CAPITAL

	2001 £	2000 £
Authorised 1,000 called up share capital of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid 1,000 called up share capital of £1 each	1,000	1,000
	<u> </u>	<u> </u>

13. SHARE PREMIUM ACCOUNT

	2001 £
As at 1 July 2000 and 30 June 2001	327,525
	<u> </u>

14. PENSION COSTS

The company operates a defined contribution pension scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £1,562 (2000 : £1,562).

15. RELATED PARTIES

The Company was controlled throughout the current and previous year by Mr S. P. Stephenson and Mrs E. M. Stephenson who own 25% and 26% respectively of the Company's Ordinary Share Capital. A further 24% of the Share Capital is held in trust for their children.

The Directors loan account balance was £99,133 (30.6.00 : £70,063). During the year the Audi N886 CUG was sold to the Directors for its Market Value being £3,950.

The Shareholders loan accounts were as follows :

J. R. Stephenson £5,236 (30.6.00 : £5,236)
R. P. Stephenson £5,235 (30.6.00 : £5,235)
H. N. Stephenson £5,235 (30.6.00 : £5,235)