

**THE BURDENS GROUP LIMITED**

**Statement of accounts**

**for the year ended**

**31st December 2003**



**Slater Maidment**

Chartered Accountants  
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# THE BURDENS GROUP LIMITED

## DIRECTORS' REPORT

The directors present their report and statement of accounts for the year ended 31st December 2003.

### Principal activities and business review

The group is engaged in the distribution and repair of agricultural and horticultural machinery. There was a decline in turnover with difficult trading conditions in the agricultural market, whilst the weather had a major impact on the horticultural sector. There were successes in the domestic groundcare market in the north and the directors will be looking to replicate this in the south in the future. The directors believe that the group will return to profitable trading in 2004.

### Result and dividend

	£
Loss on ordinary activities before taxation	(11,736)
Taxation	<u>(2,822)</u>
Loss on ordinary activities after taxation	(14,558)
Dividends	<u>300,000</u>
Retained loss set against reserves	£(314,558)

The directors have paid a dividend of £250,000 and propose the payment of a final dividend of £50,000 for the year.

### Directors and their interests

The directors throughout the year were as follows:

N. R. Burden (Chairman)  
R. G. F. Bannister  
S. C. J. Everton

The directors have no shareholdings required to be reported under Section 234(3) of the Companies Act 1985.

A consultant to the firm of auditors is non-beneficially interested as a joint trustee in the entire issued share capital of Agriturf Holdings Limited, the ultimate parent company.

### Auditors

The auditors, Slater Maidment, have indicated their willingness to continue in office and a resolution proposing their re-appointment will be considered at the next Annual General Meeting.

By order of the Board



S. C. J. EVERTON  
SECRETARY

Dated: 23rd July 2004

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BURDENS GROUP LIMITED

We have audited the financial statements of The Burdens Group Limited for the year ended 31st December 2003 set out on pages 3 to 16. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the group's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

*We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not enclosed.*

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 affairs of the company and the group as at 31st December 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON

Dated: 23rd July 2004

*Slater Maidment*

SLATER MAIDMENT  
Chartered Accountants and  
Registered Auditors

**THE BURDENS GROUP LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2003**

	Notes	2003 £	2002 £
TURNOVER		12,370,569	15,394,008
Cost of sales		<u>10,661,506</u>	<u>13,395,602</u>
GROSS PROFIT		1,709,063	1,998,406
Administrative expenses		<u>1,651,686</u>	<u>1,638,276</u>
OPERATING PROFIT	3	57,377	360,130
Net interest payable	4	<u>(69,113)</u>	<u>(80,967)</u>
LOSS (2002 – PROFIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,736)	279,163
Tax on loss (2002 – profit) on ordinary activities	5	<u>(2,822)</u>	<u>(107,270)</u>
LOSS (2002 – PROFIT) ON ORDINARY ACTIVITIES AFTER TAXATION		(14,558)	171,893
Dividends		<u>300,000</u>	<u>75,000</u>
RETAINED LOSS (2002 – PROFIT) FOR THE FINANCIAL YEAR		£ <u>(314,558)</u>	£ <u>96,893</u>

Movements on reserves are shown on pages 13 and 14.

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the loss and profit for the above two financial years.

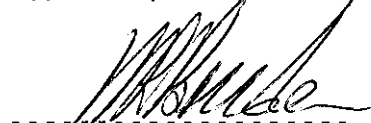
**CONTINUING OPERATIONS**

None of the group's operations were acquired or discontinued during the above two financial years.

**THE BURDENS GROUP LIMITED**  
**CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER 2003**

	Notes	£	2003 £	£	2002 £
<b>FIXED ASSETS</b>					
Tangible assets	6		1,070,665		1,177,965
<b>CURRENT ASSETS</b>					
Stocks	7	1,990,688		2,211,349	
Debtors	8	1,224,302		960,894	
Cash at bank and in hand		<u>1,544</u>		<u>80,526</u>	
		3,216,534		3,252,769	
CREDITORS: amounts falling due within one year	9	<u>2,522,971</u>		<u>2,406,906</u>	
NET CURRENT ASSETS			<u>693,563</u>		<u>845,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,764,228		2,023,828
CREDITORS: amounts falling due after more than one year	10		271,164		466,206
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	11		<u>25,000</u>		<u>25,000</u>
			<u>£1,468,064</u>		<u>£1,532,622</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		1,000,000		750,000
Capital reserve	13		196,476		196,476
Profit and loss account	14		<u>271,588</u>		<u>586,146</u>
SHAREHOLDERS' FUNDS	15		<u>£1,468,064</u>		<u>£1,532,622</u>

Approved by the Board on 23rd July 2004




N. R. BURDEN  
CHAIRMAN

**THE BURDENS GROUP LIMITED**  
**BALANCE SHEET AT 31ST DECEMBER 2003**

	Notes	£	2003 £	£	2002 £
<b>FIXED ASSETS</b>					
Tangible assets	6		565,348		590,898
Investments	16		<u>551,370</u>		<u>755,951</u>
			1,116,718		1,346,849
<b>CURRENT ASSETS</b>					
Stocks	7	1,234,184		1,500,455	
Debtors	8	898,410		642,080	
Cash at bank and in hand		<u>1,210</u>		<u>39,687</u>	
		2,133,804		2,182,222	
CREDITORS: amounts falling due within one year	9	<u>1,566,635</u>		<u>1,649,372</u>	
NET CURRENT ASSETS			<u>567,169</u>		<u>532,850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,683,887		1,879,699
CREDITORS: amounts falling due after more than one year	10		<u>215,823</u>		<u>347,077</u>
			<u>£1,468,064</u>		<u>£1,532,622</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		1,000,000		750,000
Revaluation reserve	17		330,038		634,619
Profit and loss account	14		<u>138,026</u>		<u>148,003</u>
SHAREHOLDERS' FUNDS	15		<u>£1,468,064</u>		<u>£1,532,622</u>

Approved by the Board on 23rd July 2004

  
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 N. R. BURDEN  
 CHAIRMAN

**THE BURDENS GROUP LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED**

**31ST DECEMBER 2003**

	Notes	2003 £	2002 £
<b>Net cash inflow from operating activities</b>	22	23,338	804,533
<b>Net returns on investments and servicing of finance</b>			
Interest received		1,336	5,837
Interest paid		(32,369)	(35,901)
Interest element of finance lease rentals		(37,360)	(44,352)
Net cash outflow from net returns on investments and servicing of finance		(68,393)	(74,416)
<b>Taxation</b>			
Corporation tax paid		(95,211)	(50,832)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(82,694)	(161,109)
Disposal of tangible fixed assets		<u>184,251</u>	<u>96,889</u>
Net cash inflow (2002- outflow) from capital expenditure and financial investment		101,557	(64,220)
<b>Equity dividends paid</b>		(325,000)	(50,000)
<b>Net cash inflow before financing</b>		363,709	565,065
<b>Financing</b>			
Issue of ordinary share capital		250,000	-
Other loans		165,551	11,724
Bank loan repaid		(93,497)	(89,519)
Capital element of finance lease rentals		(401,858)	(356,627)
Net cash outflow from financing		(79,804)	(434,422)
<b>Decrease (2002 – increase) in cash</b>	23	<u>£(443,513)</u>	<u>£130,643</u>

**THE BURDENS GROUP LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**31ST DECEMBER 2003**

**1. 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 the group and of the profit and loss of the group for that period. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgments and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (iv) 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 steps for the prevention and detection of fraud and other irregularities.

**2. Accounting policies**

**(i) Basis of accounting**

The accounts have been prepared on the basis of historical cost as modified by the revaluation of certain freehold land and buildings and fixed asset investments and in accordance with applicable accounting standards.

**(ii) Basis of consolidation**

The accounts consolidate the results of the subsidiaries and their assets and liabilities at 31st December. The acquisition method of accounting is adopted. The results of companies acquired during the period are included from the date of acquisition.

A separate profit and loss account for the parent company is not presented in accordance with Section 230, Companies Act 1985.

Goodwill was written off to reserves in the year in which it arose.

**(iii) Turnover**

Turnover, which excludes value added tax, represents sales less discounts, allowances and returns. Rentals receivable from operating leases are credited to the profit and loss account over the period to which they relate.



**THE BURDENS GROUP LIMITED**

**NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**

**31ST DECEMBER 2003**

**2. Accounting policies (continued)**

**(iv) Depreciation**

Depreciation is provided at rates calculated to write off the cost of tangible assets over their estimated useful lives as follows:

Freehold buildings	- 4% of cost
Leasehold land and buildings	- 5% - 25% of cost
Motor vehicles	- 25% of cost
Plant and machinery	- 20% - 33% of cost
Fixtures and fittings	- 14% - 25% of cost
Tools and equipment	- 25% of reducing balance

No depreciation is provided on freehold land.

**(v) Stocks**

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

**(vi) Lease and hire purchase agreements**

Fixed assets acquired under finance leases and hire purchase contracts are included in tangible fixed assets and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the periods of the leases. Rental payments under operating leases are charged to profit and loss account as incurred.

**(vii) Foreign currency**

Balances in foreign currency are translated at the rates of exchange prevailing at the year end and any exchange differences arising are charged or credited to profit and loss account.

**(viii) Deferred taxation**

The accounting policy in respect of deferred taxation has been changed to comply with the requirements of Financial Reporting Standard 19. Deferred taxation is provided under the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Deferred taxation is accounted for in respect of all material timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities. The change in policy does not have a material effect on the previous year's accounts.

**(ix) Pension costs**

Contributions to the pension scheme are charged to the profit and loss account as incurred.

**(x) Investments**

Fixed asset investments in subsidiary undertakings are revalued to directors' valuation and are stated at net asset value. In the opinion of the directors this valuation policy gives a fairer representation of the net worth of the company.

## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

3. <b>Operating profit</b>	2003	2002
	£	£
This is arrived at after charging:		
Depreciation of tangible fixed assets	308,035	302,085
Auditors' remuneration - audit	13,500	19,411
- other	7,147	6,231
Staff costs	1,769,468	1,700,505
Property rents	131,267	118,890
Hire of plant and machinery	15,098	16,182
Staff costs comprise:-		
Wages and salaries	1,541,583	1,490,423
Social security costs	157,442	142,298
Other pension costs	<u>70,443</u>	<u>67,784</u>
	<u>£1,769,468</u>	<u>£1,700,505</u>
Directors' emoluments	<u>£ 186,849</u>	<u>£ 180,927</u>

Two (2002-two) directors are members of the group's defined contribution pension scheme and contributions during the year were £2,948 (2002-£2,890). Contributions of £24,000 (2002-£24,000) were made to a personal pension scheme of a director.

The average number of persons employed during the year was as follows:

Operations	40	37
Selling and administration	<u>34</u>	<u>37</u>
	<u>74</u>	<u>74</u>

4. <b>Net interest payable</b>	2003	2002
	£	£
Bank interest payable	26,846	35,844
Interest paid under finance leases and hire purchase agreements	37,360	50,243
Other short-term interest payable	<u>6,243</u>	<u>717</u>
	70,449	86,804
Interest receivable	<u>(1,336)</u>	<u>(5,837)</u>
	<u>£69,113</u>	<u>£80,967</u>

## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

5. **Taxation**

	2003	2002
	£	£
The charge for taxation shown in the profit and loss account comprises:		
Corporation tax payable at 19% (2002 – 30%)	2,803	95,192
Transfer to deferred tax	-	25,000
Adjustment in respect of prior years	<u>19</u>	<u>(12,922)</u>
	<u>£2,822</u>	<u>£107,270</u>
Loss (2002 – profit) on ordinary activities before taxation	<u>(11,736)</u>	<u>279,163</u>
At the standard rate of corporation tax of 19% (2002 - 30%)	(2,230)	83,749
Effect of:		
Permanently disallowable expenditure	1,829	3,107
Deferred tax unprovided	1,285	34,311
Depreciation on assets not qualifying for capital allowances	1,919	3,005
Marginal relief	-	(3,980)
Adjustment in respect of prior year	<u>19</u>	<u>(12,922)</u>
	<u>£2,822</u>	<u>£107,270</u>

6. **Tangible fixed assets**

Group	Land and buildings		Motor	Plant and	Fixtures, fittings, tools and	
	Freehold	Short	vehicles	machinery	equipment	Total
	£	£	£	£	£	£
Cost or valuation:						
At 1st January 2003	260,733	98,885	677,177	647,763	483,790	2,168,348
Additions	33,361	-	170,495	96,676	30,184	330,716
Disposals	<u>-</u>	<u>-</u>	<u>(158,977)</u>	<u>(184,104)</u>	<u>-</u>	<u>(343,081)</u>
At 31st December 2003	<u>294,094</u>	<u>98,885</u>	<u>688,695</u>	<u>560,335</u>	<u>513,974</u>	<u>2,155,983</u>
Depreciation:						
At 1st January 2003	22,454	90,655	308,129	254,794	314,351	990,383
Provided during the year	5,470	6,960	118,749	125,754	51,102	308,035
Impairment provision	-	-	-	(30,692)	-	(30,692)
Disposals	<u>-</u>	<u>-</u>	<u>(94,935)</u>	<u>(87,473)</u>	<u>-</u>	<u>(182,408)</u>
At 31st December 2003	<u>27,924</u>	<u>97,615</u>	<u>331,943</u>	<u>262,383</u>	<u>365,453</u>	<u>1,085,318</u>
Net book amounts:						
At 31st December 2003	<u>£266,170</u>	<u>£ 1,270</u>	<u>£356,752</u>	<u>£297,952</u>	<u>£148,521</u>	<u>£1,070,665</u>
At 31st December 2002	<u>£238,279</u>	<u>£ 8,230</u>	<u>£369,048</u>	<u>£392,969</u>	<u>£169,439</u>	<u>£1,177,965</u>

## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

## 6. Tangible fixed assets (continued)

The net book amounts of fixed assets include £479,067 (2002-£614,141) in respect of assets subject to finance leases or hire purchase agreements, depreciation on which amounted to £167,335 (2002-£146,744).

Plant and machinery is used in operating leases. Rental income in the year amounted to £284,161 (2002-£346,836).

Company	Land and buildings		Motor vehicles	Fixtures, fittings, tools and equipment	Total
	Freehold	Short leasehold			
	£	£	£	£	£
Cost or valuation:					
At 1st January 2003	260,733	29,370	406,466	368,698	1,065,267
Additions	33,361	-	83,027	21,094	137,482
Transfer from group undertaking	-	-	22,890	-	22,890
Transfer to group undertakings	-	-	(28,036)	-	(28,036)
Disposals	-	-	(111,556)	-	(111,556)
At 31st December 2003	<u>294,094</u>	<u>29,370</u>	<u>372,791</u>	<u>389,792</u>	<u>1,086,047</u>
Depreciation:					
At 1st January 2003	22,454	27,676	178,455	245,784	474,369
Transfer from group undertaking	-	-	9,027	-	9,027
Provided during the year	5,470	424	67,686	38,770	112,350
Disposals	-	-	(61,997)	-	(61,997)
Transfer to group undertakings	-	-	(13,050)	-	(13,050)
At 31st December 2003	<u>27,924</u>	<u>28,100</u>	<u>180,121</u>	<u>284,554</u>	<u>520,699</u>
Net book amounts:					
At 31st December 2003	<u>£266,170</u>	<u>£ 1,270</u>	<u>£192,670</u>	<u>£105,238</u>	<u>£565,348</u>
At 31st December 2002	<u>£238,279</u>	<u>£ 1,694</u>	<u>£228,011</u>	<u>£122,914</u>	<u>£590,898</u>

The net book amounts of tangible fixed assets include £183,627 (2002-£229,189) in respect of assets subject to finance leases or hire purchase agreements, depreciation on which amounted to £59,781 (2002-£74,050) during the year.

Freehold land and buildings of the group and company with historical cost of £116,545 were revalued by the directors on an open market basis at 31st December 1998 at £98,000. Freehold land at value of £125,000 is not depreciated.

7. Stocks	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Goods for resale	1,967,703	2,158,910	1,218,833	1,467,147
Work in progress	<u>22,985</u>	<u>52,439</u>	<u>15,351</u>	<u>33,308</u>
	<u>£1,990,688</u>	<u>£2,211,349</u>	<u>£1,234,184</u>	<u>£1,500,455</u>

## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

8. Debtors	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Due within one year:				
Trade debtors	1,084,243	825,518	617,583	482,486
Amounts owed by subsidiary undertakings	-	-	137,436	8,247
Dividends receivable	-	-	50,000	75,000
Other debtors	2,020	1,298	1,820	1,098
Prepayments and accrued income	<u>138,039</u>	<u>121,422</u>	<u>91,571</u>	<u>64,199</u>
	1,224,302	948,238	898,410	631,030
Due after more than one year:				
Prepayments and accrued income	<u>-</u>	<u>12,656</u>	<u>-</u>	<u>11,050</u>
	<u>£1,224,302</u>	<u>£960,894</u>	<u>£898,410</u>	<u>£642,080</u>
9. Creditors: amounts falling due within one year	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Bank loan and overdrafts	462,497	91,560	227,806	91,560
Loans	177,275	11,724	177,275	11,724
Trade creditors	1,249,415	1,538,104	734,546	1,109,820
Amounts owed to subsidiary undertakings	-	-	8,797	100
Corporation tax payable	2,803	95,192	2,053	32,008
Other taxation and social security costs	208,396	112,612	151,602	71,583
Liabilities under lease and hire purchase agreements	245,518	304,215	96,047	101,321
Accruals and deferred income	127,067	178,499	118,509	156,256
Proposed dividend	<u>50,000</u>	<u>75,000</u>	<u>50,000</u>	<u>75,000</u>
	<u>£2,522,971</u>	<u>£2,406,906</u>	<u>£1,566,635</u>	<u>£1,649,372</u>

The bank loan and overdrafts are secured by a fixed charge on a freehold property and book debts and a floating charge over other assets.

## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

## 10. Creditors: amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loan	238,026	331,523	238,026	331,523
Repayable in less than one year	<u>97,966</u>	<u>91,560</u>	<u>97,966</u>	<u>91,560</u>
	140,060	239,963	140,060	239,963
Liabilities under lease and hire purchase agreements payable in less than five years	<u>131,104</u>	<u>226,243</u>	<u>75,763</u>	<u>107,114</u>
	<u>£271,164</u>	<u>£466,206</u>	<u>£215,823</u>	<u>£347,077</u>

The bank loan which bears interest at 2% over base rate is repayable by instalments falling due:

	2003	2002
	£	£
In one to two years	103,895	97,207
In two to five years	<u>36,165</u>	<u>142,756</u>
	<u>£140,060</u>	<u>£239,963</u>

## 11. Deferred taxation

Balance at 1st January and 31st December 2003 £25,000

The balance relates to accelerated capital allowances.

## 12. Share capital

	2003	2002
Authorised, allotted and fully paid 1,000,000 ordinary shares of £1 each	<u>£1,000,000</u>	<u>£750,000</u>

On the 30th September 2003 the company increased its share capital by 250,000 ordinary shares of £1 each. The consideration received was £1 for each share.

## 13. Capital reserve

The capital reserve comprises the excess of net assets above the consideration paid on the acquisition of subsidiary undertakings.

## 14. Profit and loss account

	Group	Company
	£	£
Balance at 1st January 2003	586,146	148,003
(Loss)/profit for the financial year	(14,558)	290,023
Dividends	<u>(300,000)</u>	<u>(300,000)</u>
Retained profit at 31st December 2003	<u>£271,588</u>	<u>£138,026</u>

## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

15. Reconciliation of movements in shareholders' funds	2003	2002	
Group	£	£	
Balance at 1st January 2003	1,532,622	1,435,729	
Loss (2002 – profit) for the financial year	(14,558)	171,893	
Issue of shares	250,000	-	
Dividends	<u>(300,000)</u>	<u>(75,000)</u>	
Balance at 31st December 2003	<u>£1,468,064</u>	<u>£1,532,622</u>	
Company			
Balance at 1st January 2003	1,532,622	1,435,729	
Profit for the financial year	290,023	134,449	
Issue of shares	250,000	-	
Dividends	(300,000)	(75,000)	
Revaluation of subsidiary undertakings	<u>(304,581)</u>	<u>37,444</u>	
Balance at 31st December 2003	<u>£1,468,064</u>	<u>£1,532,622</u>	
16. Investments in subsidiary undertakings	Cost	Revaluation	Total
	£	£	£
At 1st January 2003	121,332	634,619	755,951
Investment during the year	100,000	-	100,000
Revaluation during the year	<u>-</u>	<u>(304,581)</u>	<u>(304,581)</u>
At 31st December 2003	<u>£221,332</u>	<u>£330,038</u>	<u>£551,370</u>

The company's wholly-owned subsidiaries are Burdens Distribution Limited (importation and distribution of agricultural machinery), Golf and Turf Equipment Limited, (distribution of horticultural machinery and equipment) and First Tractors Limited (dormant). The company's holdings comprise ordinary shares.

<b>17. Revaluation reserve</b>	<b>Company</b>
	£
At 1st January 2003	634,619
Revaluation of subsidiary undertakings to net asset value	<u>(304,581)</u>
At 31st December 2003	<u>£330,038</u>

The company's revaluation reserve arises on the revaluation of subsidiary undertakings to net asset value. Deferred taxation is not provided on the revaluation of subsidiary undertakings as the directors do not believe that these amounts will give rise to taxation liabilities.

**THE BURDENS GROUP LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**  
**31ST DECEMBER 2003**

**18. Operating lease commitments**

The group's commitments to operating lease payments within one year are as follows:

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases expiring:				
Within one year	53,250	15,518	8,850	1,084
Within two and five years	-	-	48,000	15,098
After five years	<u>94,000</u>	<u>-</u>	<u>63,000</u>	<u>-</u>
	<u>£147,250</u>	<u>£15,518</u>	<u>£119,950</u>	<u>£16,182</u>

**19. Related party transactions**

The company has entered into a property lease at an annual rental of £48,000 (2002-£48,000) with a pension fund in which N. R. Burden has a material interest.

The group is not required to report details of group transactions because it is a subsidiary included in the consolidated accounts of Agriturf Holdings Limited.

**20. Pension scheme**

The group participates in a personal pension and flexible retirement income plan which is a defined contribution scheme. The charge for the year relating to pension costs which are determined solely by reference to the group's own employees amounted to £46,443 (2002-£43,784). There were no prepaid contributions at 31st December 2003 (2002-nil).

**21. Contingent liabilities**

Under a composite accounting agreement the company has guaranteed the bank borrowings of its subsidiary undertakings which amounted to £235,000 at 31st December 2003 (2002-£175,000). The company's assets are subject to a debenture in favour of the bank.

**22. Reconciliation of operating profit to net cash flow from operating activities**

	2003 £	2002 £
Operating profit	57,377	360,130
Depreciation and similar adjustments	253,765	323,715
Decrease (2002- increase) in stocks	220,661	(473,908)
Increase in debtors	(263,408)	(57,712)
Decrease (2002- increase) in creditors	<u>(245,057)</u>	<u>652,308</u>
Net cash inflow from operating activities	<u>£ 23,338</u>	<u>£804,533</u>



## THE BURDENS GROUP LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2003

## 23. Analysis of changes in net debt

	At 1st January 2003 £	Cash flows £	Other non- cash charges £	At 31st December 2003 £
Cash at bank and in hand	80,526	(78,982)	-	1,544
Bank overdrafts	<u>-</u>	<u>(364,531)</u>	<u>-</u>	<u>(364,531)</u>
	<u>80,526</u>	<u>(443,513)</u>	<u>-</u>	<u>(362,987)</u>
Debt due within one year	(103,284)	(171,957)	-	(275,241)
Debt due after more than one year	(239,963)	99,903	-	(140,060)
Finance leases	<u>(530,458)</u>	<u>401,858</u>	<u>(248,022)</u>	<u>(376,622)</u>
	<u>£(793,179)</u>	<u>£(113,709)</u>	<u>£(248,022)</u>	<u>£(1,154,910)</u>

## 24. Major non-cash transactions

During the year the group acquired tangible fixed assets under lease and hire purchase agreements of £248,022 (2002-£427,900).

## 25. Ultimate parent company

The company's immediate parent company and ultimate parent company are Agriturf Limited and Agriturf Holdings Limited.

The ultimate controlling party is a trust of which J. R. F. Lulham and Mrs A. J. Wates are trustees.