

**NEWBERRY INTERNATIONAL
PRODUCE LIMITED
FINANCIAL STATEMENTS
28 FEBRUARY 2001**

Company Registration Number 3262617



HLB KIDSONS
Chartered Accountants & Registered Auditors
Elgar House
Holmer Road
Hereford
HR4 9SF

NEWBERRY INTERNATIONAL PRODUCE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2001

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NEWBERRY INTERNATIONAL PRODUCE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A E Cooke Esq
I C Brough Esq

Company secretary

I C Brough Esq

Registered office

Newberry House
New Street
Ledbury
Herefordshire
HR8 2EJ

Auditors

HLB Kidsons
Chartered Accountants
& Registered Auditors
Elgar House
Holmer Road
Hereford
HR4 9SF

NEWBERRY INTERNATIONAL PRODUCE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 28 FEBRUARY 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 28 February 2001.

Principal activities and business review

The principal activity of the company is that of trading in fruit and vegetables.

Overall the year has been a good one for the company. It has continued to build on the reputation with existing blue chip food manufacturers, and has gained several new, high volume, customers during the year. Product volumes have increased to 8,000 tonnes, but unfortunately both prices and margins slumped, and as a result turnover remained static, and overall profitability reduced.

The company has invested heavily in organics over the last two years, but once again, saw no real growth in this market. The demand and volumes for these products continued to be low, and there were a number of casualties in the manufacturing sector. We fortunately emerged relatively unscathed.

The financial year ahead will see a further increase in volumes and even though raw material prices continue at last years levels, we expect an increase in both turnover and profitability. On organics, we will maintain a presence but will cut back on the range of products offered.

New technology is increasingly important for business banking and trading, and we will evaluate, and keep abreast of all opportunities. Our website, www.newberryint.co.uk, is well placed on search engines, and is yielding considerable interest and an increase in business. Development of our site, as a means of increasing business, will continue.

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 £1 each	
	At 28 February 2001	At 29 February 2000
A E Cooke Esq	900	900
I C Brough Esq	<u>100</u>	<u>100</u>

The Euro

The directors have considered the impact of the introduction of the Euro on the company. The company is carrying out transactions in Euros and no significant detrimental effect on the company is anticipated. No further costs are expected to be incurred in this respect.

NEWBERRY INTERNATIONAL PRODUCE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28 FEBRUARY 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 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 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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.

Auditors

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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Newberry House
New Street
Ledbury
Herefordshire
HR8 2EJ

Signed by order of the directors



I C Brough Esq
Company Secretary

Approved by the directors on 14 June 2001

NEWBERRY INTERNATIONAL PRODUCE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 28 FEBRUARY 2001

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 7 to 8.

Respective responsibilities of the directors and the auditors

As described on page 3, the company's directors are responsible for the preparation of the 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 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.

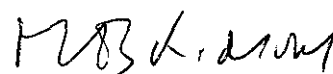
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Elgar House
Holmer Road
Hereford
HR4 9SF

14 June 2001

HLB KIDSONS
Chartered Accountants
& Registered Auditors



NEWBERRY INTERNATIONAL PRODUCE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 FEBRUARY 2001

	Note	2001 £	2000 £
Turnover		5,033,023	4,884,892
Cost of sales		<u>4,740,908</u>	<u>4,560,894</u>
Gross profit		292,115	323,998
Administrative expenses		270,532	259,931
Other operating income	2	<u>(3,000)</u>	<u>(8,900)</u>
Operating profit	3	24,583	72,967
Interest receivable	5	15,112	17,703
Interest payable		<u>(22,998)</u>	<u>(10,634)</u>
Profit on ordinary activities before taxation		16,697	80,036
Tax on profit on ordinary activities		<u>(2,736)</u>	<u>(18,305)</u>
Profit on ordinary activities after taxation		13,961	61,731
Dividends	6	-	10,000
Retained profit for the financial year		<u>13,961</u>	<u>51,731</u>

NEWBERRY INTERNATIONAL PRODUCE LIMITED

BALANCE SHEET

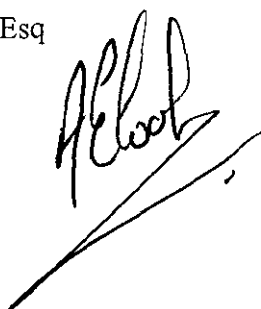
28 FEBRUARY 2001

	Note	£	2001 £	2000 £
Fixed assets				
Tangible assets	7		12,974	<u>13,117</u>
Current assets				
Stocks		214,094		156,862
Debtors	8	1,213,300		1,036,378
Cash at bank and in hand		22		47,739
		<u>1,427,416</u>		<u>1,240,979</u>
Creditors: amounts falling due within one year	9	<u>(1,261,979)</u>		<u>(1,089,646)</u>
Net current assets			<u>165,437</u>	<u>151,333</u>
Total assets less current liabilities			<u>178,411</u>	<u>164,450</u>
Capital and reserves				
Called-up equity share capital	12		1,000	1,000
Share premium account			59,006	59,006
Profit and loss account	13		118,405	104,444
Shareholders' funds			<u>178,411</u>	<u>164,450</u>

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

These financial statements were approved by the directors on the 14 June 2001 and are signed on their behalf by:

A E Cooke Esq
Director



NEWBERRY INTERNATIONAL PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2001

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

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

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:

Motor Vehicles	- 25% per annum
Equipment	- 20% per annum

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

Provision is made, 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. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

NEWBERRY INTERNATIONAL PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2001

1. Accounting policies (*continued*)

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. Other operating income

	2001 £	2000 £
Other operating income	<u>3,000</u>	<u>8,900</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2001 £	2000 £
Staff pension contributions	6,123	14,299
Depreciation	3,439	2,538
Loss on disposal of fixed assets	-	3,754
Auditors' fees	3,500	3,000
Net profit on foreign currency translation	<u>(31,437)</u>	<u>(21,242)</u>

4. Directors' emoluments

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

	2001 £	2000 £
Aggregate emoluments	<u>67,083</u>	<u>63,394</u>

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

	2001 No.	2000 No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. Interest receivable

	2001 £	2000 £
Other loan interest receivable	<u>15,112</u>	<u>17,703</u>

NEWBERRY INTERNATIONAL PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2001

6. Dividends

No dividend has been recommended for the year ended 28 February 2001.

	2001	2000
	£	£
Proposed dividend on ordinary shares	-	10,000

7. Tangible fixed assets

	Motor Vehicles £	Equipment £	Total £
Cost			
At 29 February 2000	3,000	16,109	19,109
Additions	-	5,113	5,113
Disposals	-	(1,817)	(1,817)
At 28 February 2001	3,000	19,405	22,405
Depreciation			
At 29 February 2000	-	5,992	5,992
Charge for the year	750	2,689	3,439
At 28 February 2001	750	8,681	9,431
Net book value			
At 28 February 2001	2,250	10,724	12,974
At 28 February 2000	3,000	10,117	13,117

Future capital commitments

There were no future capital commitments at 28 February 2001 (2000 - £Nil).

8. Debtors

	2001	2000
	£	£
Trade debtors	961,574	723,826
Other debtors	251,726	312,552
	1,213,300	1,036,378

NEWBERRY INTERNATIONAL PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2001

9. Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	384,790	291,128
Trade creditors	759,406	691,076
Other creditors	14,833	32,767
Accruals and deferred income	102,950	74,675
	<u>1,261,979</u>	<u>1,089,646</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001	2000
	£	£
Bank loans and overdrafts	<u>384,790</u>	<u>291,128</u>

The bank loans and overdraft are repayable on demand and are secured by a fixed and floating charge over all current and future assets of the company.

10. Commitments under operating leases

At 28 February 2001 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2001	2000
	£	£
Operating leases which expire:		
Within 1 year	294	300
Within 2 to 5 years	15,395	18,917
	<u>15,689</u>	<u>19,217</u>

11. Related party transactions

During the year rental payments to the value of £10,800 (2000 - £10,800) were made by the company to the B & C Properties partnership which consists of I C Brough Esq and A E Cooke Esq (both directors of Newberry International Produce Limited).

During the year the directors, I Brough and A Cooke loaned £5,000 and £270 respectively to the company. These amounts are outstanding at the year end, but will be repaid within the next year.

During the year the company provided a loan of £17,222 to Outside Eyes limited, Which is a company with common directors. This amount was outstanding at the year end.

NEWBERRY INTERNATIONAL PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2001

12. Share capital

Authorised share capital:

	2001 £	2000 £
100,000 Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>1,000</u>	<u>1,000</u>

13. Profit and loss account

	2001 £	2000 £
Balance brought forward	104,444	52,713
Retained profit for the financial year	<u>13,961</u>	<u>51,731</u>
Balance carried forward	<u>118,405</u>	<u>104,444</u>