

R. H. MILLER (AGRICULTURAL) LIMITED

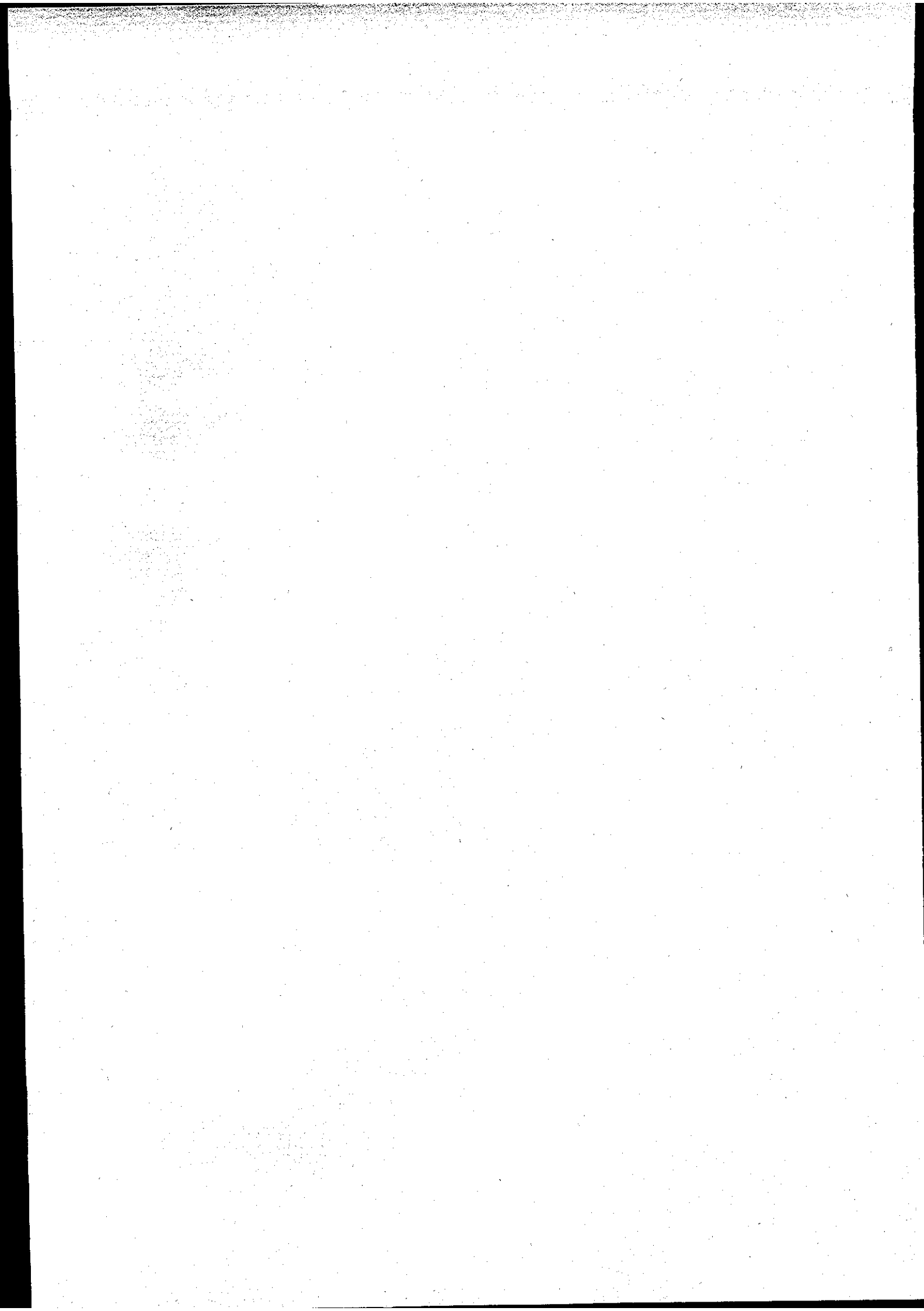
REPORT AND ACCOUNTS

31 JANUARY 1995

COMPANY NO SC65346

S.





R.H.MILLER (AGRICULTURAL) LIMITED

ACCOUNTS

YEAR ENDED 31 JANUARY 1995

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R.H.MILLER (AGRICULTURAL) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

R H Miller
J W Clark
G R Robb
S M Aynsley

COMPANY SECRETARY

G R Robb

REGISTERED OFFICE

Fordel
Lauder Road
Dalkeith
EH22 2PH

AUDITORS

Clunie Scott & Pollock
Chartered Accountants
13 Alva Street
Edinburgh
EH2 4PH

SOLICITORS

Ketchen and Stevens WS
55/57 Queen Street
Edinburgh
EH2 3PA

R.H.MILLER (AGRICULTURAL) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 1995

The directors have pleasure in presenting their report and accounts of the company for the year ended 31 January 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's operations continue to be the selling and distribution of a complete range of products and services for the agricultural market, together with petrol retailing and other related products.

The total turnover for the year was £7.8m (1994 - £7.59m) and gross profit margins were maintained. With the marketplace increasingly competitive, but with some encouraging signs, a new sales representative was employed to train in all aspects of the company's activities.

At the beginning of the year negotiations were successfully concluded with Esso Petroleum for a further 5 year trading agreement.

During the latter part of 1994 discussions had taken place with an existing small business operating in the Hawick area, and this was also concluded with its acquisition in January 1995. To expand operations including retail selling, suitable premises were acquired at the beginning of April 1995. The new business has required additional staff and setting up costs, but the directors are looking forward to the new opportunities working from the solid base which they feel the company has now successfully achieved.

RESULTS AND DIVIDENDS

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

The directors have recommended the following dividends:

	1995 £	1994 £
Proposed dividends on ordinary shares	50,000	30,000

The balance of the profits for the year amounting to £57,575 will be added to reserves and carried forward to the following year.

R.H.MILLER (AGRICULTURAL) LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31 JANUARY 1995

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At 31 Jan 95	At 1 Feb 94 or later date of appointment
R H Miller	90,000	90,000
J W Clark	-	-
G R Robb	-	-
S M Aynsley	-	-
	<u> </u>	<u> </u>

G R Robb was appointed as a director on 18th November 1994

S M Aynsley was appointed as a director on 18th November 1994

FIXED ASSETS

The acquisitions and disposals of fixed assets are recorded in the notes to the accounts.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to select suitable accounting policies, as described on page 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts 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 accounts 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.

R.H.MILLER (AGRICULTURAL) LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31 JANUARY 1995

AUDITORS

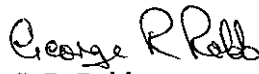
The auditors Pollock & Co CA have merged with the firm of Clunie & Scott CA, the new firm practising as Clunie Scott & Pollock, Chartered Accountants.

The audit report has been signed by the new firm and a resolution concerning The reappointment of the auditors will be considered at the Annual General Meeting.

Registered office:

Fordel
Lauder Road
Dalkeith
EH22 2PH

Signed on behalf of the directors


G R Robb
Company secretary

Approved by the directors on 31 May 1995

R.H.MILLER (AGRICULTURAL) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 JANUARY 1995

We have audited the accounts on pages 6 to 19 which have been prepared in accordance with the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the directors' report, the directors of the company are responsible for the preparation of accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 January 1995 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



CLUNIE SCOTT & POLLOCK
Chartered Accountants
Registered Auditors

13 Alva Street
Edinburgh
EH2 4PH

31 May 1995

R.H.MILLER (AGRICULTURAL) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 1995

	Note	1995 £	1994 £
TURNOVER	2	7,825,652	7,588,550
Cost of sales		(7,044,785)	(6,777,805)
GROSS PROFIT		780,867	810,745
Distribution and administrative costs		(767,791)	(761,838)
Other operating income	3	133,528	90,472
OPERATING PROFIT	4	146,604	139,379
Interest receivable and similar income	7	33,602	41,378
Amounts written off investments	8	-	(20,000)
Interest payable and similar charges	9	(28,657)	(63,445)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		151,549	97,312
Tax on profit on ordinary activities	10	(43,974)	(34,875)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		107,575	62,437
Dividends	11	(50,000)	(30,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		57,575	32,437
Balance brought forward		225,955	193,518
BALANCE CARRIED FORWARD		283,530	225,955

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above financial years.

CONTINUING ACTIVITIES

None of the company's activities were acquired or discontinued during the above financial years.

The notes on pages 10 to 19 form part of these accounts.

R.H.MILLER (AGRICULTURAL) LIMITED

BALANCE SHEET

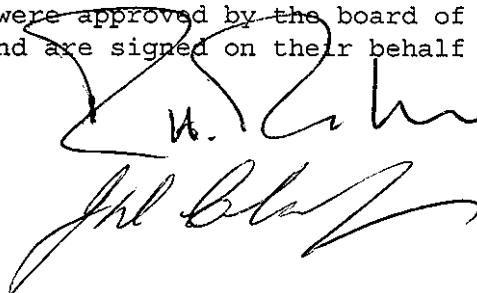
31 JANUARY 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Intangible assets	12	70,000	54,000
Tangible assets	13	943,530	912,300
		<u>1,013,530</u>	<u>966,300</u>
CURRENT ASSETS			
Stocks	14	315,904	330,012
Debtors	15	547,723	648,994
		<u>863,627</u>	<u>979,006</u>
CREDITORS: Amounts falling due within one year	16	(1,001,293)	(1,039,978)
NET CURRENT LIABILITIES		(137,666)	(60,972)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>875,864</u>	<u>905,328</u>
CREDITORS: Amounts falling due after more than one year	17	(300,049)	(387,088)
NET ASSETS		<u>575,815</u>	<u>518,240</u>
CAPITAL AND RESERVES			
Equity share capital	21	90,000	90,000
Revaluation reserve		202,285	202,285
Profit and loss account		283,530	225,955
SHAREHOLDERS' FUNDS		<u>575,815</u>	<u>518,240</u>

These accounts were approved by the board of directors on the 31st May 1995 and are signed on their behalf by:

R H MILLER

J W CLARK



The notes on pages 10 to 19 form part of these accounts.

R.H.MILLER (AGRICULTURAL) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 1995

	1995	1994
	£	£
Net cash inflow from operating activities	460,664	358,013
Returns on investments and servicing of finance		
Interest received	33,602	41,378
Interest paid	(28,209)	(76,997)
Interest element of finance agreements	(3,562)	(3,274)
Dividends paid	(30,000)	(20,000)
Net cash outflow from returns on investments & servicing of finance	(28,169)	(58,893)
Taxation		
Corporation tax paid	(35,554)	(33,562)
Taxes paid	(35,554)	(33,562)
Investing activities		
Payments to acquire intangible fixed assets	(25,000)	-
Payments to acquire tangible fixed assets	(96,824)	(20,451)
Receipts from sales of tangible fixed assets	16,064	12,132
Net cash outflow from investing activities	(105,760)	(8,319)
Net cash inflow before financing	291,181	257,239
Financing		
Net outflow from long-term bank loans	(257,251)	(20,400)
Net outflow in respect of finance leases	(11,515)	(9,412)
Net inflow from long-term deferred income	180,000	-
Net cash outflow from financing	(88,766)	(29,812)
Increase in cash and cash equivalents	202,415	227,427

The notes on pages 10 to 19 form part of these accounts.

R.H.MILLER (AGRICULTURAL) LIMITED

CASH FLOW STATEMENT (continued)

YEAR ENDED 31 JANUARY 1995

Reconciliation of operating profit to
net cash inflow from operating activities

	1995 £	1994 £
Operating profit	146,604	139,379
Interest payable in administrative expenses	3,114	16,826
Amortisation	9,000	9,000
Depreciation	53,871	60,961
Profit on disposal of fixed assets	(4,341)	-
Decrease in stocks	14,108	42,107
Decrease in debtors	95,464	153,116
Increase/(Decrease) in creditors	142,844	(63,376)
Net cash inflow from operating activities	460,664	358,013

Analysis of the balances of cash and cash
equivalents as shown in the balance sheet

	1995 £	1994 £	Change £
Bank overdraft	(199,533)	(401,948)	202,415
	<u>(199,533)</u>	<u>(401,948)</u>	<u>202,415</u>

Analysis of changes in cash and cash
equivalents during the year

	£
Balance brought forward	(401,948)
Net cash inflow	202,415
Balance carried forward	(199,533)

The notes on pages 10 to 19 form part of these accounts.

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, using the following accounting policies:

Turnover

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

Goodwill

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Goodwill	10% straight line
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Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable property	2% straight line
Plant, machinery	20% straight line
Motor vehicles	25% straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to profit and loss account.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

1. ACCOUNTING POLICIES (continued)

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.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	1995 £	1994 £
United Kingdom	7,825,652	7,588,550
	<u>7,825,652</u>	<u>7,588,550</u>

3. OTHER OPERATING INCOME

	1995 £	1994 £
Rent receivable	23,172	22,989
Commission receivable	50,356	26,183
Esso contribution	60,000	36,500
Other operating income	-	4,800
	<u>133,528</u>	<u>90,472</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	1995 £	1994 £
Amortisation	9,000	9,000
Depreciation	53,871	60,961
Profit on disposal of fixed assets	(4,341)	-
Auditors' fees	12,200	12,200
Hire of plant and equipment	1,118	(514)
	<u></u>	<u></u>

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

4. OPERATING PROFIT (continued)

AUDITORS' FEES

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	1995 £	1994 £
Audit	12,200	12,200

5. PARTICULARS OF EMPLOYEES

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

	1995 No.	1994 No.
Office and management	11	11
Selling and distribution	14	14
	25	25

The aggregate payroll costs of the above were:

	1995 £	1994 £
Wages and salaries	359,054	342,749
Social security costs	33,692	32,320
Other pension costs	30,248	29,782
	422,994	404,851

6. DIRECTORS' EMOLUMENTS

The directors' emoluments, including pension contributions, were:

	1995 £	1994 £
Remuneration as directors	93,456	68,991
Pension contributions	23,404	22,399
	116,860	91,390

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

6. DIRECTORS' EMOLUMENTS (continued)

Emoluments excluding pension contributions:

	1995 £	1994 £
Chairman	45,844	43,337

The other directors, whose emoluments, excluding pension contributions, fell within the ranges set out below, were as follows:

	1995 No.	1994 No.
£ 5,001 - 10,000	2	-
£ 25,001 - 30,000	-	1
£ 35,001 - 40,000	1	-

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Other similar income receivable	33,602	41,378

8. AMOUNTS WRITTEN OFF INVESTMENTS

	1995 £	1994 £
Investments written off	-	20,000

9. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Interest payable on bank loans	25,095	60,171
HP/Finance lease charges	3,562	3,274
	28,657	63,445

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Current year corporation tax at 25%	43,974	33,861
Adjustment to provision in previous years	-	1,014
	<u>43,974</u>	<u>34,875</u>

11. DIVIDENDS

The following dividends have been recommended during the year:

	1995 £	1994 £
Proposed dividends on ordinary shares	<u>50,000</u>	<u>30,000</u>

12. INTANGIBLE ASSETS

	£
COST:	
At 1st February 1994	90,000
Additions	<u>25,000</u>
At 31st January 1995	<u>115,000</u>
AMORTISATION:	
At 1st February 1994	36,000
Charge for year	<u>9,000</u>
At 31st January 1995	<u>45,000</u>
NET BOOK VALUE:	
At 31st January 1995	<u>70,000</u>
At 1st February 1994	<u>54,000</u>

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

13. FIXED ASSETS

	Heritable Property £	Plant, Machinery £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1st February 1994	917,238	215,273	58,582	1,191,093
Additions	-	66,970	29,854	96,824
Disposals	-	-	(19,750)	(19,750)
At 31st January 1995	<u>917,238</u>	<u>282,243</u>	<u>68,686</u>	<u>1,268,167</u>
DEPRECIATION				
At 1st February 1994	88,836	167,997	21,960	278,793
Charge for year	18,262	23,171	12,438	53,871
On disposals	-	-	(8,027)	(8,027)
At 31st January 1995	<u>107,098</u>	<u>191,168</u>	<u>26,371</u>	<u>324,637</u>
NET BOOK VALUE				
At 31st January 1995	<u>810,140</u>	<u>91,075</u>	<u>42,315</u>	<u>943,530</u>
At 1st February 1994	<u>828,402</u>	<u>47,276</u>	<u>36,622</u>	<u>912,300</u>

Revaluation of fixed assets

Regular revaluations of the company's heritable properties have been carried out on an open market basis in previous years.

The aggregate depreciation on heritable properties under a historical cost basis would have been £111,833 (1994 - £97,143).

Hire purchase and finance lease agreements

Included within the net book value £943,530 is £15,399 (1994 - £16,747) relating to assets held under hire purchase agreements, and £917 (1994 - £6,428) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £1,348 (1994 - £3,222), and £5,511 (1994 - £5,511) in respect of assets held under finance lease agreements.

14. STOCKS

	1995 £	1994 £
Finished goods	315,904	330,012
	<u>315,904</u>	<u>330,012</u>

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

15. DEBTORS

	1995 £	1994 £
Trade debtors	519,981	613,969
Other debtors	20,000	34,525
Prepayments and accrued income	7,742	500
	<u>547,723</u>	<u>648,994</u>

16. CREDITORS: Amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	199,533	422,348
Other loans	21,548	-
Trade creditors	448,124	395,145
Other creditors including taxation and social security:		
Taxation and Social Security:	45,175	34,363
HP and finance leases	9,788	11,515
Dividends payable	50,000	30,000
Esso Petroleum	60,000	-
Other creditors	73,836	67,007
	<u>238,799</u>	<u>142,885</u>
Accruals and deferred income	93,289	79,600
	<u>1,001,293</u>	<u>1,039,978</u>

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

	1995 £	1994 £
Bank loans and overdrafts	199,533	422,348

The bank borrowings are secured by a bond, floating charge and standard securities over the assets of the company.

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

17. CREDITORS: Amounts falling due after more than one year

	1995 £	1994 £
Bank loans and overdrafts	-	277,300
Other loans	120,049	100,000
Other creditors:		
HP and finance leases	-	9,788
Accruals and deferred income	180,000	-
	<u>300,049</u>	<u>387,088</u>

Maturity of debt:

	1995 £	1994 £
In one year or less	221,081	422,348
Between one and two years	23,627	20,400
Between two and five years	96,422	61,200
In five years or more	-	295,700
	<u>341,130</u>	<u>799,648</u>

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

	1995 £	1994 £
Bank loans and overdrafts	-	297,700

The bank borrowings are secured by a bond, floating charge and standard securities over the assets of the company.

The following aggregate liabilities are repayable in whole, otherwise than by instalments, and are due for repayment after more than five years from the balance sheet date:

	1995 £	1994 £
Other loans	-	100,000

This loan relates to a pension scheme loan and is repayable on 31 December 1999. The loan is subject to interest of 2.5% per annum over base rate.

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

17. CREDITORS: Amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are repayable by instalments, some of which fall due for payment after more than five years from the balance sheet date:

	1995 £	1994 £
Bank loans and overdrafts	-	297,700

Of the liabilities repayable by instalments, the following are the aggregate amounts of the instalments falling due for repayment after more than five years from the balance sheet date:

	1995 £	1994 £
Bank loans and overdrafts	-	195,700

The bank loan was repaid during the year and was subject to interest of 2.5% per annum over base rate.

18. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £30,248 (1994 - £29,782).

19. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	1995 £	1994 £
Amounts payable within 1 year	10,813	15,077
Amounts payable between 2 to 5 years	-	10,813
	<u>10,813</u>	<u>25,890</u>
Less interest and finance charges relating to future periods	(1,025)	(4,587)
	<u>9,788</u>	<u>21,303</u>

R.H.MILLER (AGRICULTURAL) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

20. CONTINGENCIES

A liability would exist for repayment to Esso Petroleum for any unexpired period of the agreement. The company renegotiated a new five year advance payment agreement which was received in February 1994. (see note 23)

21. SHARE CAPITAL

Authorised share capital:

	1995 £	1994 £
100,000 Ordinary shares of £1 each	100,000	100,000

Allotted, called up and fully paid:

	1995 £	1994 £
Ordinary share capital	90,000	90,000

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial period	107,575	62,437
Dividends	(50,000)	(30,000)
	57,575	32,437
Opening shareholders' equity funds	518,240	485,803
Closing shareholders' equity funds	575,815	518,240

23. ADVANCE PAYMENT

	1995 £	1994 £
Esso Petroleum		
At 31 January 1994	-	36,500
Amount received	300,000	-
Transfer to profit and loss account	(60,000)	(36,500)
At 31 January 1995	240,000	-
Included in current liabilities	(60,000)	-
	180,000	-