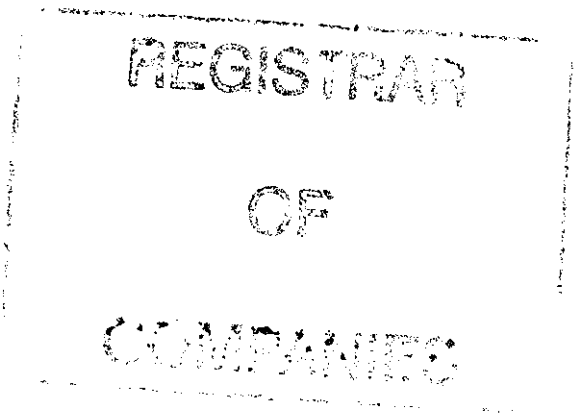
Company Registration No. 239621

Deloitte & Touche



EXNING ESTATE COMPANY

Report and Financial Statements

31 March 2000

Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff CF24 0TS



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EXNING ESTATE COMPANY

Deloitte & Touche

REPORT AND FINANCIAL STATEMENTS 2000

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Deloitte & Touche

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr G S C Gibson
Mrs A M Homfray

SECRETARY

Mr J S East

REGISTERED OFFICE

9 Cotton End Road
Exning
Newmarket
Suffolk
CB8 7NN

BANKERS

National Westminster Bank Plc

SOLICITORS

Rustons & Lloyd

AUDITORS

Deloitte & Touche

Deloitte & Touche

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

ACTIVITIES

The principal activities of the company are:

i) arable and livestock farming;

ii) estate management.

REVIEW OF DEVELOPMENTS

Lower expenditure on repairs and maintenance and falling depreciation charges have resulted in a farming profit for the year of £16,403 (1999: loss of £71,853). Rent rises have led to an estate profit for the year of £189,697 (1999: £166,522).

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The financial position of the company at 31 March 2000 is shown in the balance sheet on page 6.

The directors recommend the payment of a dividend of 5p per share (1999: 5p).

FUTURE PROSPECTS

The directors believe that the company should continue to trade successfully given favourable weather and economic conditions.

DIRECTORS

The present membership of the Board is set out on page 1. Both directors served throughout the year. The directors' interests in the company at 31 March 2000 and 31 March 1999 were as follows:

	31 March 1999 and 2000	
	Beneficial	**Non-beneficial**
	£1 ordinary shares	
Mr G S C Gibson	142,286	16,021
Mrs A M Homfray	35,000	-

A partner in Deloitte & Touche, as trustee, has a non-beneficial interest of 9,771 (1999: 16,021) shares in two separate trusts.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

J S East

Secretary

Date 30/1/2001

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 as at the end of the financial year 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 to enable them to ensure that the financial statements comply with the Companies Act. 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.

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Deloitte & Touche

AUDITORS' REPORT TO THE MEMBERS OF EXNING ESTATE COMPANY

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 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 at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and
Registered Auditors

Date 29 January 2001.

Deloitte Touche Tohmatsu

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Deloitte & Touche

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	2	828,769	772,968
Cost of sales		(466,093)	(481,728)
Gross profit		362,676	291,240
Administrative expenses		(168,476)	(227,637)
Other operating income		13,000	32,226
Operating profit		207,200	95,829
Income from other fixed asset investments	4	5,499	5,961
Other interest receivable and similar income		84,740	61,810
Interest payable and similar charges		(1,100)	(1,160)
Profit on ordinary activities before taxation	2,5	296,339	162,440
Tax on profit on ordinary activities	6	(77,186)	(34,663)
Profit for the financial year		219,153	127,777
Dividends	7	(7,886)	(7,886)
Retained profit	18	211,267	119,891

All activities derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £
Profit for the financial year	211,267	119,891
Revaluation of property	-	844,520
Total recognised gains and losses relating to the year	211,267	964,411

Deloitte & Touche

BALANCE SHEET
31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	8	2,630,205		2,462,143	
Investments	9	12,648		12,606	
			2,642,853		2,474,749
CURRENT ASSETS					
Stocks	10	202,125		228,450	
Debtors	11	95,410		83,338	
Investments	12	160,000		160,000	
Cash at bank and in hand		1,767,389		1,540,073	
		2,224,924		2,011,861	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Loans	13	1,155,750		1,045,750	
Promissory notes	13	30,000		30,000	
Trade creditors		37,425		37,629	
Other creditors including taxation and social security	14	108,500		63,545	
Proposed dividend		7,886		17,349	
		1,339,561		1,194,273	
NET CURRENT ASSETS			885,363		817,588
TOTAL ASSETS LESS CURRENT LIABILITIES			3,528,216		3,292,337
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		(28,368)		(31,936)
PROVISIONS FOR LIABILITIES AND CHARGES	16		(177,918)		(149,738)
			3,321,930		3,110,663
CAPITAL AND RESERVES					
Called up share capital	17		300,000		300,000
Profit and loss account	18		3,021,930		2,810,663
TOTAL EQUITY SHAREHOLDERS' FUNDS			3,321,930		3,110,663

These financial statements were approved by the Board of Directors on 24 January 2001

Signed on behalf of the Board of Directors

G S C Gibson

G S C Gibson - Director

Deloitte & Touche

CASH FLOW STATEMENT
Year ended 31 March 2000

	Note	£	2000 £	£	1999 £
Net cash inflow from operating activities	20		320,816		392,202
Returns on investment and servicing of finance					
Interest received		87,613		54,736	
Interest paid		(1,100)		(1,160)	
Dividends received		5,051		5,532	
Net cash inflow from returns on investments and servicing of finance			91,564		59,108
Taxation			(16,429)		(17,873)
Capital expenditure					
Purchase of tangible fixed assets		(248,990)		(99,968)	
Disposal of tangible fixed assets		13,000		892,600	
Net cash (outflow)/inflow from capital expenditure			(235,990)		792,632
Equity dividends paid			(17,349)		-
Financing					
Net loan receipt/(repayment)	21	110,000		(20,000)	
Capital element of finance lease rentals	21	(25,296)		(11,888)	
Net cash inflow/(outflow) from financing			84,704		(31,888)
Increase in cash	22		227,316		1,194,181

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2000 £	1999 £
Profit on ordinary activities before taxation	296,339	162,440
Realisation of property valuation gain	-	844,520
Historical cost profit on ordinary activities before taxation	296,339	1,006,960
Historical cost profit for the year retained after taxation and dividends	211,267	964,411

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Turnover

Turnover represents the total receivable from sales of crops and animals, subsidies and rents during the year.

c) Stocks

Farming stocks are valued by a firm of professional valuers. The valuations of corn and livestock are at market value less appropriate percentages to achieve a valuation at the lower of cost and net realisable value.

The percentage reductions are as follows:

Home bred cattle	-	40%
Home grown corn	-	15%

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

d) Depreciation

i) Freehold land:

Freehold land is not depreciated

Freehold buildings used by farm and equine hospital:

Depreciation is provided on cost in equal instalments over the estimated lives of the assets. The rate used is 2% per annum.

Freehold buildings relating to estate, excluding equine hospital:

No depreciation is provided on these buildings as the directors are of the opinion that, having regard to estimated residual values, any depreciation charges would be immaterial. These assets are therefore carried at cost less provisions for impairment.

ii) Other assets:

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The following rates per annum are used:

Cars and lorries	-	25%
Tractors	-	16 2/3%
Combines and reapers	-	25%
Implements, balers and other plant and machinery	-	15%
Office equipment	-	15%

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

1. ACCOUNTING POLICIES (continued)

e) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

f) Leased assets

Assets held under finance leases and the related obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

g) Investments

Investments are stated at cost less provision for impairment.

2. TURNOVER AND PROFITS

Analyses by class of business of turnover and profit before taxation are stated below:

	Turnover		Profit/(loss) before taxation	
	2000	1999	2000	1999
	£	£	£	£
Class of business:				
Estate	279,978	254,112	189,697	166,522
Farm	548,791	518,856	16,403	(71,853)
Investment income	-	-	90,239	67,771
	828,769	772,968	296,339	162,440

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Directors' emoluments:		
Other emoluments	-	-
Employee costs during the year:		
Wages and salaries	163,605	155,109
Social security costs	9,981	10,915
Average number of persons employed:	No.	No.
Farm	12	12
Estate	1	1
Administration	2	2
	15	15

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

4. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2000 £	1999 £
This heading includes:		
Income from listed investments	5,051	5,532

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
Profit on ordinary activities before taxation is after charging:		
Depreciation - owned assets	76,902	82,913
- leased assets	36,986	58,404
Auditors' remuneration	5,200	5,000

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation charge for the year is made up as follows:		
United Kingdom corporation tax at 20% (1999 - 21%)	49,006	16,418
Deferred taxation	28,180	17,728
Tax credits on franked investment income	-	517
	77,186	34,663

7. DIVIDENDS

	2000		1999	
	per share	£	per share	£
Proposed final	5.0p	7,886	5.0p	7,886

Mr G S C Gibson has waived his right to the dividends.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

8. TANGIBLE FIXED ASSETS

	Total £	Freehold land and buildings £	Plant and machinery £	Leased plant/ machinery £	Office equipment £
Cost					
At 1 April 1999	3,357,034	2,382,717	434,566	537,859	1,892
Additions	281,950	205,501	43,489	32,960	-
Disposals	(26,495)	-	-	(26,495)	-
At 31 March 2000	3,612,489	2,588,218	478,055	544,324	1,892
Accumulated depreciation					
At 1 April 1999	894,891	128,996	335,280	428,725	1,890
Charge for the year	113,888	42,209	34,693	36,986	-
Disposals	(26,495)	-	-	(26,495)	-
At 31 March 2000	982,284	171,205	369,973	439,216	1,890
Net book value					
At 31 March 2000	2,630,205	2,417,013	108,082	105,108	2
At 31 March 1999	2,462,143	2,253,721	99,286	109,134	2

Included in freehold land and buildings is £81,804 (1999: £81,804) in respect of land which is not depreciated. In addition, the company does not provide depreciation on buildings with a cost of £258,997 (1999: £243,401).

9. INVESTMENTS

	Cost £	2000 Market value £	Cost £	1999 Market value £
Listed	2,648	191,532	2,648	164,462
Unlisted:				
Central Wool Growers Limited				
5 shares of £1 each plus accumulated balance on capital account	10,000		9,958	
	12,648		12,606	

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

10. STOCKS

	2000 £	1999 £
Raw materials and consumables	51,961	47,832
Work in progress	111,732	113,904
Finished goods and goods for resale	38,432	66,714
	202,125	228,450

11. DEBTORS

	2000 £	1999 £
Trade debtors due within one year	61,606	48,425
Other debtors	33,804	34,913
	95,410	83,338

Trade debtors include £20,028 (1999: £23,641) due from Mr G S C Gibson, a director, in respect of expenses incurred by the company on his behalf during the year. This was repaid in April. The maximum amount outstanding during the year was £23,641 (1999: £23,641).

Trade debtors also includes £627 (1999: £782) due from the George Gibson Foundation Trust of which Mr G S C Gibson is a trustee. £782 (1999: £782) was charged to the trust for the use of part of the company's office space during the year.

12. INVESTMENTS HELD AS CURRENT ASSETS

	2000 £	1999 £
Local Authority deposits	160,000	160,000

13. LOANS AND PROMISSORY NOTES

These, of which £1,157,250 (1999: £1,060,750) is due to Mr G S C Gibson, a director, are repayable on demand, unsecured and carry no interest.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

14. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2000 £	1999 £
Corporation tax	48,276	15,699
Other taxation and social security	2,884	3,063
Lease obligations	48,365	37,133
Staff bonus	5,750	6,150
Other creditors	1,725	-
Deferred income	1,500	1,500
	108,500	63,545

The above lease obligations are due to Exning Leasing, a company which is solely owned by Mr G S C Gibson, a director.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Lease obligations due within one to two years	20,128	20,048
Lease obligations due within two to five years	8,240	11,888
	28,368	31,936

The above lease obligations are due to Exning Leasing, a company which is solely owned by Mr G S C Gibson, a director. Obligations under finance leases are secured on the related leased assets.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 1 April 1999 £	Charged to profit and loss account £	Balance at 31 March 2000 £
Deferred taxation	149,738	28,180	177,918

The amounts of deferred taxation provided and unprovided in the financial statements are:

	Provided 2000 £	*Provided 1999* £	*Not Provided 2000* £	*Not Provided 1999* £
Capital allowances in excess of depreciation	177,067	148,887	-	-
Other	851	851	-	-
	177,918	149,738	-	-

17. CALLED UP SHARE CAPITAL

	£
Authorised:	
300,000 ordinary shares of £1 each	300,000
Allotted and fully paid:	
Balance at 1 April 1999 and 31 March 2000	300,000

18. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	2000 Total £	1999 Total £
Balance at 1 April 1999	300,000	2,810,663	3,110,663	2,146,252
Profit retained for year	-	211,267	211,267	119,891
Surplus on revaluation of assets	-	-	-	844,520
Balance at 31 March 2000	300,000	3,021,930	3,321,930	3,110,663

19. RELATED PARTY TRANSACTIONS

(a) The company is currently leasing assets from Exning Leasing, which is solely owned by Mr G S C Gibson, a director. Details of the assets and related lease obligations are shown in notes 8, 14 and 15. Leasing commission payable for the year amounted to £1,100 (1999: £1,160).

(b) Other balances due from and to Mr G S C Gibson are shown in notes 11 and 13.

(c) Details of other related party transcations are shown in note 11.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

20. RECONCILIATION OF OPERATING PROFIT TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	207,200	95,829
Depreciation	113,888	141,317
Profit on sale of fixed assets	(13,000)	(32,226)
Decrease/(increase) in stocks	26,325	(5,221)
(Increase)/decrease in debtors	(14,539)	185,584
Increase in creditors	942	6,919
	320,816	392,202

21. RECONCILIATION OF CASHFLOW MOVEMENT TO MOVEMENT IN NET FUNDS

	£	2000 £	£	1999 £
Increase in cash	227,316		1,194,181	
Net loan (receipt)/repayment	(110,000)		20,000	
Finance lease repayments	25,296		11,888	
Change in net funds resulting from cashflows		142,612		1,226,069
New finance leases		(32,960)		(47,553)
Movement in net funds in year		109,652		1,178,516
Net funds/(debt) at 1 April		395,254		(783,262)
Net funds at 31 March		504,906		395,254

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 1999 £	Cashflows £	Other Changes £	At 31 March 2000 £
Cash at bank and in hand	1,540,073	227,316	-	1,767,389
Finance leases	(69,069)	25,296	(32,960)	(76,733)
Debt due within one year	(1,075,750)	(110,000)	-	(1,185,750)
	395,254	142,612	(32,960)	504,906

23. ULTIMATE CONTROLLING PARTY

The directors consider Mr G S C Gibson to be the ultimate controlling party.