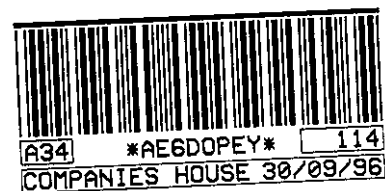


WALTER PEARSON AND SONS (FARMS) LIMITED

ABBREVIATED STATUTORY ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1996

Company Number: 934310



WALTER PEARSON AND SONS (FARMS) LIMITED

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AUDITORS REPORT TO WALTER PEARSON AND SONS (FARMS) LIMITED
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of Walter Pearson and Sons (Farms) Limited prepared under section 226 of the Companies Act 1985 for the year ended 28th February 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors statement on page 3 and whether the abbreviated financial accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial accounts.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 28th February 1996 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 25th September 1996 we reported as auditors of Walter Pearson and Sons (Farms) Limited to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 28th February 1996 and our audit report was as follows:

" We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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 at 28th February 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to Small Companies".

Lucas and Sharpe

Lucas and Sharpe
Registered Auditors and Accountants
5 South Square
Boston Lincs

25th September 1996

WALTER PEARSON AND SONS (FARMS) LIMITEDAbbreviated Balance Sheet at 28th February 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
<u>Fixed Assets</u>			
Tangible Assets	2)	44296	47690
<u>Current Assets</u>			
Valuation		85991	83552
Debtors		62378	61222
Cash at Bank and in Hand		39959	25974
		188328	170748
<u>Creditors : amounts falling due within one year</u>			
		(115811)	(111860)
<u>Net Current Assets</u>			
		72517	58888
<u>Total Assets less Current Liabilities</u>			
		116813	106578
<u>Provisions for Liabilities and Charges</u>			
Deferred Taxation		6664	7303
<u>Net Assets</u>			
		110149	99275
<u>Capital and Reserves</u>			
Called Up Share Capital	3)	14000	14000
Capital Reserves		37214	37214
Profit and Loss Account		58935	48061
Equity Shareholders' Funds			
		110149	99275

In preparing these abbreviated accounts advantage the directors have taken advantage of the exemptions conferred by Schedule 8 Part III A of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the exemptions.

In preparing the financial statements the directors have taken advantage of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985, and have done so on the grounds that, in the their opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

The abbreviated accounts were approved by the board on 25th September 1996 and signed on its behalf.

..... *P. J. Pearson* P J Pearson)
 *R. Pearson* R Pearson) Directors

The notes on pages 4 to 5 form part of these abbreviated accounts.

WALTER PEARSON AND SONS (FARMS) LIMITED**Notes to the Financial Statements**
For the year ended 28th February 1996**1. ACCOUNTING POLICIES****a) Basis of preparation of Financial Statements**

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover

Turnover comprises the amount receivable for goods and services sold in the year, net of Value Added Tax, and after adjusting for stocks included in opening and closing valuations.

c) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Grain Drier & Store	12.5% reducing balance basis
Implements & Machinery	12.5% reducing balance basis
Tractors and Equipment	30% reducing balance basis
Leased Assets	30% reducing balance basis
Motor Vehicles	25% reducing balance basis
Harvesters	30% reducing balance basis
Office Equipment	12.5% reducing balance basis

d) Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

e) Stock

The valuation of stock is carried out by independent valuers, James Eley and Son, 1 Main Ridge West, Boston, and has been valued at cost of production.

f) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

WALTER PEARSON AND SONS (FARMS) LIMITEDNotes to the Abbreviated Accounts
For the year ended 28th February 19962. TANGIBLE FIXED ASSETS

	<u>1996</u>
<u>Cost</u>	
At beginning of year	309495
Additions	5438
Disposals	(2700)
At end of Year	312233
<u>Depreciation</u>	
At beginning of year	261805
Charge for year	8191
On Disposals	(2059)
At end of Year	267937
<u>Net Book Values</u>	
At 28th February 1996	44296
At 28th February 1995	47690

3. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
<u>Authorised:</u>		
Ordinary Shares of £1 each	15000	15000
<u>Allotted:</u>		
Ordinary Shares of £1 each, fully paid	14000	14000

4. DIRECTORS TRANSACTIONS

During the year, produce to the value of £297173 (1995 - £262,083) was sold to P I P (Farm Produce) Ltd., a company controlled by the Directors of Walter Pearson & Sons (Farms) Ltd. The sales were in the normal course of trading and on the commercial terms of other customers.