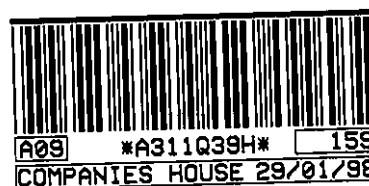


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MAITLAND FARMERS (LOOP) LIMITED**FINANCIAL STATEMENTS****for the year ended****31 MARCH 1997**

MAITLAND FARMERS (LOOP) LIMITED

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MAITLAND FARMERS (LOOP) LIMITED

COMPANY INFORMATION

DIRECTORS

J A G Maitland
Mrs V M Maitland
K J Maitland
Mrs J Maitland

SECRETARY

K J Maitland

REGISTERED OFFICE

The Old Rectory
South Walks Road
Dorchester
Dorset DT1 1DT

REGISTERED NUMBER

1205708

REPORTING ACCOUNTANTS

Perks Simm
Chartered Accountants
The Old Rectory
South Walks Road
Dorchester
Dorset DT1 1DT

MAITLAND FARMERS (LOOP) LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of farming.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

<u>Name</u>	<u>Class of capital</u>	<u>1997</u>	<u>1996</u>
J A G Maitland	Ordinary shares of £1	1	1
Mrs V M Maitland	Ordinary shares of £1	1	1
K J Maitland	Ordinary shares of £1	98	98
Mrs J Maitland	Ordinary shares of £1	-	-

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts, 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 assume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Acts. 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.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors


.....
K J Maitland

Approved by the board: 27-1-98

MAITLAND FARMERS (LOOP) LIMITED

**REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS OF
MAITLAND FARMERS (LOOP) LIMITED**

We report on the financial statements for the year ended 31 March 1997 set out on pages 4 to 15.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 2 the company's directors are responsible for the preparation of the financial statements and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

We conducted our examination in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
- (c) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Perks Simm

PERKS SIMM

Chartered Accountants
The Old Rectory
South Walks Road
Dorchester
Dorset DT1 1DT

Dated: 28th January 1998

MAITLAND FARMERS (LOOP) LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1997

	Notes	1997 £	1996 £
TURNOVER	2	257,920	260,955
Change in stocks of finished goods and work-in-progress		<u>8,876</u>	<u>(6,290)</u>
		266,796	254,665
Other operating income		<u>5,683</u>	<u>4,640</u>
		272,479	259,305
Raw materials and consumables		<u>112,483</u>	<u>119,520</u>
		159,996	139,785
Staff costs	52,380		52,225
Depreciation	14,365		22,032
Other operating charges	<u>44,640</u>	<u>111,385</u>	<u>31,478</u>
OPERATING PROFIT	3	48,611	34,050
Interest and dividend receivable		<u>319</u>	<u>163</u>
		48,930	34,213
Interest payable and similar charges		<u>15,479</u>	<u>15,678</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,451	18,535
Tax on profit on ordinary activities		<u>3,943</u>	<u>528</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	20	<u>£29,508</u>	<u>£18,007</u>

Continuing operations

None of the company's activities were acquired or discontinued during the current or previous year.

Total recognised gains and losses

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

Historical cost profits

A note of historical cost profits is shown on page 5.

The notes form part of these financial statements

MAITLAND FARMERS (LOOP) LIMITED

NOTE OF HISTORICAL COST PROFITS
for the year ended 31 March 1997

	1997 £	1996 £
Profit for the financial year before taxation	33,451	18,535
Realisation of revaluation surplus on reduction in dairy herd	<u>1,959</u>	<u>653</u>
Historical cost profit on ordinary activities before taxation	<u>£35,410</u>	<u>£19,188</u>
Historical cost profit for the year retained after taxation	<u>£31,467</u>	<u>£18,660</u>

The notes form part of these financial statements

MAITLAND FARMERS (LOOP) LIMITED

BALANCE SHEET
as at 31 March 1997

	Notes	1997	1996
		£	£
FIXED ASSETS			
Intangible assets - milk quota		52,002	-
Tangible assets			
- owned	4	45,566	41,822
- hire purchase	5	50,367	37,870
- finance lease	6	<u>9,641</u>	<u>12,803</u>
		105,574	92,495
Investments	7	-	-
Dairy herd		38,511	43,275
Revaluation		<u>15,837</u>	<u>17,796</u>
		<u>54,348</u>	<u>61,071</u>
		211,924	153,566
CURRENT ASSETS			
Stocks	8	61,345	52,469
Debtors	9	23,047	32,068
Cash in hand		<u>120</u>	<u>120</u>
		84,512	84,657
CREDITORS: amounts falling due within one year	10	<u>142,306</u>	<u>140,826</u>
NET CURRENT LIABILITIES		<u>(57,794)</u>	<u>(56,169)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		154,130	97,397
CREDITORS: amounts falling due after more than one year	11	58,554	33,989
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>2,660</u>	<u>-</u>
		<u>£92,916</u>	<u>£63,408</u>
CAPITAL AND RESERVES			
Called up share capital	14	27,600	27,600
Revaluation reserve	15	15,837	17,796
Profit and loss account	20	<u>49,479</u>	<u>18,012</u>
SHAREHOLDERS' FUNDS	20	<u>£92,916</u>	<u>£63,408</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

MAITLAND FARMERS (LOOP) LIMITED

BALANCE SHEET as at 31 MARCH 1997 continued

The company is entitled to exemption from audit and the directors have taken advantage of this exemption conferred by Section 249A(2) of the Companies Act 1985 not to have these financial statements audited. The directors confirm that no members of the company have requested an audit and that, therefore, no notice has been deposited under Section 249B(2) of that Act.

The directors acknowledge their responsibilities for ensuring that:

1. the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
2. the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1997 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as is applicable to the company.

The accounts were approved
on behalf of Board of Directors

72 J Maitland
.....
K J Maitland

Dated: 27-1-98

The notes form part of these financial statements

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention. Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off other tangible fixed assets over their estimated useful lives.

Computer equipment	- 25% straight line
Buildings	- 4.5% straight line
Improvements to property	- 10% straight line
General equipment	- 15% reducing balance
Dairy installation	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Tractors	- 25% reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period.

The capital element of the future payments is treated as a liability.

Stocks

Stocks are valued by the directors at the lower of cost and net realisable value. Cost includes cost of purchase and all transport and handling costs. Net realisable value means the estimated proceeds of sale less costs to be incurred in marketing and selling.

2. TURNOVER

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

Turnover represents amounts invoiced by the company to outside customers excluding value added tax. Turnover also includes transfers to the herd account at the cost of rearing and the profit or loss on replacement of herd animals.

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1997

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1997	1996
	£	£
Depreciation - owned assets	10,928	8,370
- assets held on hire purchase	16,064	11,479
- assets held under finance leases	1,816	2,412
Profit on disposal of fixed assets	(14,443)	(229)
Directors' remuneration - salaries	£17,424	£26,800
Directors' emoluments including estimated value of benefits-in-kind	£24,516	£32,708

4. TANGIBLE FIXED ASSETS - OWNED

	<u>Computer equipment</u>	<u>Buildings</u>	<u>Improve-ments to property</u>	<u>General equipment</u>
	£	£	£	£
COST				
As at 1 April 1996	4,540	30,755	33,483	67,555
Additions	-	-	1,101	2,693
Disposals	-	-	-	-
As at 31 March 1997	4,540	30,755	34,584	70,248
DEPRECIATION				
As at 1 April 1996	1,750	18,668	21,841	55,813
Charge for year	1,013	1,384	2,756	2,165
Eliminated on disposals	-	-	-	-
As at 31 March 1997	2,763	20,052	24,597	57,978
NET BOOK VALUE				
As at 31 March 1997	£1,777	£10,703	£9,987	£12,270
As at 31 March 1996	£2,790	£12,087	£11,642	£11,742

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1997

4. **TANGIBLE FIXED ASSETS - OWNED continued**

	<u>Motor vehicles</u>	<u>Tractors</u>	<u>Totals</u>
	£	£	£
COST			
As at 1 April 1996	5,259	15,544	157,136
Additions	-	11,500	15,294
Disposals	<u>-</u>	<u>(8,281)</u>	<u>(8,281)</u>
As at 31 March 1997	<u>5,259</u>	<u>18,763</u>	<u>164,149</u>
DEPRECIATION			
As at 1 April 1996	2,676	14,566	115,314
Charge for year	646	2,964	10,928
Eliminated on disposals	<u>-</u>	<u>(7,659)</u>	<u>(7,659)</u>
As at 31 March 1997	<u>3,322</u>	<u>9,871</u>	<u>118,583</u>
NET BOOK VALUE			
As at 31 March 1997	<u>£1,937</u>	<u>£8,892</u>	<u>£45,566</u>
As at 31 March 1996	<u>£2,583</u>	<u>£978</u>	<u>£41,822</u>

5. **TANGIBLE FIXED ASSETS - HELD UNDER HIRE PURCHASE AGREEMENTS**

	<u>General equipment</u>	<u>Computer equipment</u>	<u>Motor vehicles</u>	<u>Tractors</u>	<u>Totals</u>
	£	£	£	£	£
COST					
As at 1 April 1996	13,500	2,310	15,466	49,500	80,776
Additions	-	-	-	49,575	49,575
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,500)</u>	<u>(49,500)</u>
As at 31 March 1997	<u>13,500</u>	<u>2,310</u>	<u>15,466</u>	<u>49,575</u>	<u>80,851</u>
DEPRECIATION					
As at 1 April 1996	3,746	1,733	8,941	28,486	42,906
Charge for year	1,463	576	1,631	12,394	16,064
Elimination on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,486)</u>	<u>(28,486)</u>
As at 31 March 1997	<u>5,209</u>	<u>2,309</u>	<u>10,572</u>	<u>12,394</u>	<u>30,484</u>
NET BOOK VALUE					
As at 31 March 1997	<u>£8,291</u>	<u>£1</u>	<u>£4,894</u>	<u>£37,181</u>	<u>£50,367</u>
As at 31 March 1996	<u>£9,754</u>	<u>£577</u>	<u>£6,525</u>	<u>£21,014</u>	<u>£37,870</u>

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1997

6. TANGIBLE FIXED ASSETS - HELD UNDER FINANCE LEASES

	General equipment £	Tractors £	Totals £
COST			
As at 1 April 1996	32,500	19,050	51,550
Disposals	<u>(4,940)</u>	<u>-</u>	<u>(4,940)</u>
As at 31 March 1997	<u>27,560</u>	<u>19,050</u>	<u>46,610</u>
DEPRECIATION			
As at 1 April 1996	20,678	18,069	38,747
Charge for year	1,571	245	1,816
Eliminated on disposals	<u>(3,594)</u>	<u>-</u>	<u>(3,594)</u>
As at 31 March 1997	<u>18,655</u>	<u>18,314</u>	<u>36,969</u>
NET BOOK VALUES			
As at 31 March 1997	<u>£8,905</u>	<u>£736</u>	<u>£9,641</u>
As at 31 March 1996	<u>£11,822</u>	<u>£981</u>	<u>£12,803</u>

7. INVESTMENTS

During the year the company was allocated 3,824 shares in Dairy Crest Group Plc at nil base cost.

8. STOCKS

	1997 £	1996 £
Livestock	22,100	23,725
Growing crops	16,200	13,754
Other stocks	<u>23,045</u>	<u>14,990</u>
	<u>£61,345</u>	<u>£52,469</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Value added tax	4,014	1,676
Trade debtors	17,363	18,010
Directors' current account	-	12,382
Other debtor	500	-
Taxation recoverable	<u>1,170</u>	<u>-</u>
	<u>£23,047</u>	<u>£32,068</u>

The directors' overdrawn current account in 1996 was in respect of K J and Mrs J Maitland. The maximum overdrawn current account balance in that year was £21,381, but the account is now in credit.

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1997

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Bank overdraft	103,520	110,501
Hire purchase and finance leases (see note 12)	14,059	9,776
Trade creditors	4,458	14,404
Accrued expenses	2,024	1,969
Directors' current account	4,754	2,428
Other tax and social security	3,258	1,220
Corporation tax	1,385	528
Milk quota loan (see note 11)	<u>8,848</u>	<u>-</u>
	<u>£142,306</u>	<u>£140,826</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets.

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

	1997	1996
	£	£
Loan - Maitlands (Farmers) Limited (see note 19)	6,361	23,000
Hire purchase and finance leases (see note 12)	11,920	10,989
Milk quota loan	<u>40,273</u>	<u>-</u>
	<u>£58,554</u>	<u>£33,989</u>

The milk quota loan is repayable in monthly instalments over 5 years from November 1996.

12. OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES

	1997	1996
	£	£
Amounts payable:		
Within one year	15,451	10,900
Within two to five years	<u>12,491</u>	<u>11,593</u>
	27,942	22,493
Less: Finance charges allocated to future periods	<u>1,963</u>	<u>1,728</u>
	<u>£25,979</u>	<u>£20,765</u>
Summary:		
Net obligations repayable:		
Within one year (note 10)	14,059	9,776
Between one and five years (note 11)	<u>11,920</u>	<u>10,989</u>
	<u>£25,979</u>	<u>£20,765</u>

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1997

13 DEFERRED TAXATION

	1997	1996
	£	£
The provision is in respect of:		
Accelerated capital allowances	2,239	152
Timing differences on leased assets	<u>1,877</u>	<u>2,666</u>
	4,116	2,818
Losses for tax purposes	<u>(1,456)</u>	<u>(2,818)</u>
	£2,660	£-
The above represents full provision, calculated at 24% (1996 25%).		

14 SHARE CAPITAL **Authorised**

<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	1997	1996
			£	£
100	Ordinary shares	£1	100	100
29,900	Non-voting Non-cumulative Irredeemable Preference shares	£1	<u>29,900</u>	<u>29,900</u>
			£30,000	£30,000
Allotted, issued and fully paid				
<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	1997	1996
			£	£
100	Ordinary shares	£1	100	100
27,500	Non-voting Non-cumulative Irredeemable Preference shares	£1	<u>27,500</u>	<u>27,500</u>
			£27,600	£27,600

The non-voting non-cumulative irredeemable preference shares carry equal rights to dividends as the existing ordinary shares. On winding up they carry only the right to repayment of capital of £27,500.

15 REVALUATION RESERVE

	1997	1996
	£	£
Surplus on revaluation of dairy herd as at 31 March 1992	17,796	18,449
Realisation of revaluation surplus on reduction in herd	<u>(1,959)</u>	<u>(653)</u>
	£15,837	£17,796

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1997

16 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1997 or 31 March 1996.

17 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 1997 or 31 March 1996.

18 PENSION COMMITMENTS

The company operates a non-contributory defined contribution pension scheme covering one of its directors. The scheme funds are administered by trustees and are independent of the company's finances.

The company's contributions are charged against profits in the year in which they are made.

19 RELATED PARTY DISCLOSURES

98 of the company's 100 issued ordinary shares are held by K J Maitland and he therefore controls the company. The non voting preference shares are held by Maitlands (Farmers) Limited, a company of which J A G Maitland and K J Maitland are directors and of which K J Maitland is a shareholder.

The directors have current accounts with the company and the balances due to (from) the directors at the balance sheet date were as follows:

	<u>1997</u> £	<u>1996</u> £
J A G & Mrs V Maitland	1,345	2,428
K J & Mrs J Maitland	<u>3,409</u>	<u>(12,382)</u>

A loan balance of £6,361 was due to Maitlands (Farmers) Limited at 31 March 1997 (1996 £23,000). Interest was paid during the year of £2,108 but no further interest will be paid after 1 April 1997.

Rent of £8,338 was paid to K J Maitland in the year to 31 March 1997.

Rent of £212 was paid to Maitlands (Farmers) Limited in the year to 31 March 1997.

MAITLAND FARMERS (LOOP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1997

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
Opening shareholders' funds at 1 April 1995	27,600	18,449	(648)	45,401
Profit for the year	-	-	18,007	18,007
Revaluation surplus realised on reduction in dairy herd	-	(653)	653	-
Closing shareholders' funds at 31 March 1996	27,600	17,796	18,012	63,408
Profit for the year	-	-	29,508	29,508
Revaluation surplus realised on reduction in dairy herd	-	(1,959)	1,959	-
Closing shareholders' funds at March 1997	£27,600	£15,837	£49,479	£92,916
			1997 £	1996 £
Equity interests			65,416	35,908
Non-equity interests			27,500	27,500
			£92,916	£63,408