

CHILTON FARMS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2000

James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA



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For The Year Ended 31 October 2000

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CHILTON FARMS LIMITED

COMPANY INFORMATION
For The Year Ended 31 October 2000

DIRECTORS: G J Ward Esq, C.B.E.
E M Wood Esq
Mrs S P Scrope

SECRETARY: Mrs S Harris

REGISTERED OFFICE: Chilton Estate Office
Chilton Foliat
Hungerford
Berkshire

REGISTERED NUMBER: 1404321

AUDITORS: James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

CHILTON FARMS LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 October 2000

The directors present their report with the financial statements of the company for the year ended 31 October 2000.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the year under review were:

G J Ward Esq, C.B.E.
E M Wood Esq
Mrs S P Scrope

The beneficial interests of the directors holding office on 31 October 2000 in the issued share capital of the company were as follows:

	31.10.00	1.11.99
Ordinary £1 shares		
G J Ward Esq, C.B.E.	40,091	40,091
E M Wood Esq	-	-
Mrs S P Scrope	2,400	2,400

YEAR 2000

The Directors have reviewed their system and the impact of the Euro and are satisfied that there have been no problems encountered to date.

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 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.

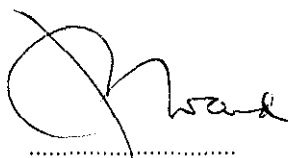
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, James & Cowper, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



G J Ward Esq, C.B.E. - DIRECTOR

Dated: 6-8-01

CHILTON FARMS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF CHILTON FARMS LIMITED

We have audited the financial statements of Chilton Farms Limited for the year ended 31 October 2000 on pages four to ten. These financial statements 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 therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

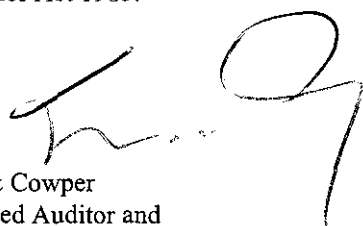
Basis of opinion

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 as at 31 October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

Dated:

24.8.01

CHILTON FARMS LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 October 2000

		2000	1999
	Notes	£	£
TURNOVER	2	649,064	690,057
Cost of sales		464,375	541,022
GROSS PROFIT		184,689	149,035
Administrative expenses		161,849	131,162
		22,840	17,873
Other operating income		16,229	19,584
OPERATING PROFIT	3	39,069	37,457
Interest receivable and similar income		6,920	7,974
		45,989	45,431
Interest payable and similar charges		3,966	11,344
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		42,023	34,087
Tax on profit on ordinary activities	4	9,147	10,397
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		32,876	23,690
Retained profit brought forward		566,647	542,957
RETAINED PROFIT CARRIED FORWARD		<u>£599,523</u>	<u>£566,647</u>

The notes form part of these financial statements

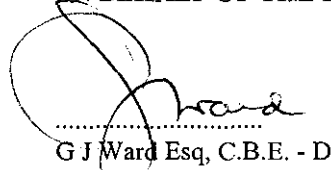
CHILTON FARMS LIMITED

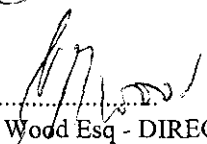
BALANCE SHEET
31 October 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		2,268,080		2,184,583
Investments	6		36,817		896
			<u>2,304,897</u>		<u>2,185,479</u>
CURRENT ASSETS:					
Stocks		192,704		233,091	
Debtors	7	247,199		210,220	
Cash at bank and in hand		33,761		185,534	
		<u>473,664</u>		<u>628,845</u>	
CREDITORS: Amounts falling due within one year	8	233,014		301,653	
NET CURRENT ASSETS:			<u>240,650</u>		<u>327,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£2,545,547</u></u>		<u><u>£2,512,671</u></u>
CAPITAL AND RESERVES:					
Called up share capital	9		42,491		42,491
Share premium	10		1,903,533		1,903,533
Profit and loss account			599,523		566,647
SHAREHOLDERS' FUNDS:			<u><u>£2,545,547</u></u>		<u><u>£2,512,671</u></u>

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

ON BEHALF OF THE BOARD:


.....
G J Ward Esq, C.B.E. - DIRECTOR


.....
E M Wood Esq - DIRECTOR

Approved by the Board on 6.8.00

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 October 2000

1. ACCOUNTING POLICIES

Accounting convention

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).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land	- Nil
Improvements to property	- 5% on reducing balance
Plant & machinery	- 15% on reducing balance
Milk quota	- 20% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Stock has been valued by independent valuers in accordance with normal farming practice.

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Government grants

Area payments relating to cereals, oilseeds and protein crops are treated as a subsidy towards the selling price. Rotational set-aside payments are treated as a subsidy towards the selling price of non-food crops grown on set-aside land or, if no such crops have been grown, as an additional subsidy towards the selling price of cereals, oilseeds and protein crops allocated on an acreage basis.

Herd

Animals in the herd are valued on the herd basis as set out in schedule 5 Income and Corporation Taxes Act 1988 except that additions made since 1 January 1996 are included at the purchased cost or cost of production where the animal is home bred.

2. TURNOVER

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

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 October 2000

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	27,970	18,586
Loss on disposal of fixed assets	460	-
Auditors' remuneration	4,000	4,000
Pension costs	741	741
Area aid & set aside	144,963	138,088
	<u>19,750</u>	<u>14,000</u>
Directors' emoluments and other benefits etc	<u>19,750</u>	<u>14,000</u>

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	<u>9,147</u>	<u>10,397</u>

UK corporation tax has been charged at 20% (1999 - 20%).

5. TANGIBLE FIXED ASSETS

	Land	Dairy Herd	Improvem- ents to property
	£	£	£
COST:			
At 1 November 1999	1,974,891	88,570	114,949
Additions	-	33,471	25,997
Disposals	-	(22,689)	(2,850)
At 31 October 2000	<u>1,974,891</u>	<u>99,352</u>	<u>138,096</u>
DEPRECIATION:			
At 1 November 1999	-	-	61,021
Charge for year	-	-	3,974
Eliminated on disposals	-	-	(2,390)
At 31 October 2000	<u>-</u>	<u>-</u>	<u>62,605</u>
NET BOOK VALUE:			
At 31 October 2000	<u>1,974,891</u>	<u>99,352</u>	<u>75,491</u>
At 31 October 1999	<u>1,974,891</u>	<u>88,570</u>	<u>53,928</u>

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 October 2000

5. **TANGIBLE FIXED ASSETS - continued**

	Plant & machinery	Milk quota	Totals
	£	£	£
COST:			
At 1 November 1999	127,909	163,300	2,469,619
Additions	75,148	-	134,616
Disposals	-	-	(25,539)
At 31 October 2000	203,057	163,300	2,578,696
DEPRECIATION:			
At 1 November 1999	113,572	110,443	285,036
Charge for year	13,425	10,571	27,970
Eliminated on disposals	-	-	(2,390)
At 31 October 2000	126,997	121,014	310,616
NET BOOK VALUE:			
At 31 October 2000	76,060	42,286	2,268,080
At 31 October 1999	14,337	52,857	2,184,583

DAIRY HERD MOVEMENTS

	2000		1999	
	No	£	No	£
COST:				
As at 1 November 1999	161	88,570	164	96,468
Transfers in	78	33,471	50	15,000
Transfers out	(33)	(22,689)	(54)	(22,898)
As at 31 October 2000	205	99,352	161	88,570

6. **FIXED ASSET INVESTMENTS**

	2000		1999	
	£		£	
COST:				
At 1 November 1999			896	
Additions			35,921	
At 31 October 2000			36,817	
NET BOOK VALUE:				
At 31 October 2000			36,817	
At 31 October 1999			896	
			2000	1999
			£	£
Unlisted investments		36,817	896	

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 October 2000

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
V.A.T.	21,711	9,584
Trade debtors	164,056	195,806
Prepayments and accrued income	61,432	4,830
	<u>247,199</u>	<u>210,220</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts	17,517	127
Dairy development loan	-	7,700
Arable masterloan	64,702	113,138
Trade creditors	41,691	24,770
Directors current accounts	28,032	28,032
Social security & other taxes	279	271
Taxation	9,146	10,396
Accrued expenses	71,647	117,219
	<u>233,014</u>	<u>301,653</u>

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2000 £	1999 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
42,491	Ordinary	£1	<u>42,491</u>	<u>42,491</u>

10. SHARE PREMIUM

	2000 £	1999 £
Brought forward	<u>1,903,533</u>	<u>1,903,533</u>

11. CAPITAL COMMITMENTS

	2000 £	1999 £
Contracted but not provided for in the financial statements	<u>49,672</u>	<u>-</u>

300,000 litres of milk quota has been purchased on 3 November 2000, for a total of £49,672.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 October 2000

12. TRANSACTIONS WITH DIRECTORS

During the year the company paid rent of £27,512 (1999-£28,600) to Chilton Estate which is owned by G J Ward.

13. RELATED PARTY DISCLOSURES

Control

For the whole year the company was under the control of G J Ward, a director, and members of his close family.