

CHILTON FARMS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

ADJ
COMPANIES HOUSE

30/07/03

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



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For The Year Ended 30 September 2002

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COMPANY INFORMATION
For The Year Ended 30 September 2002

DIRECTORS:

E M Wood Esq
Mrs S P Scrope
A R Scrope

SECRETARY:

Miss D Keighley

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 30 September 2002

The directors present their report with the financial statements of the company for the year ended 30 September 2002.

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 30 September 2002 in the issued share capital of the company were as follows:

	30.9.02	1.10.01
Ordinary £1 shares		
G J Ward Esq, C.B.E.	1	40,091
E M Wood Esq	-	-
Mrs S P Scrope	42,490	2,400

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.

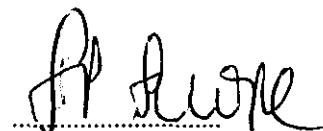
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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



Mrs S P Scrope - DIRECTOR

Dated:

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 30 September 2002 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

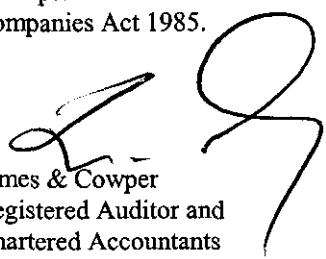
Basis of audit opinion

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 30 September 2002 and of its loss 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:

29.7.03

CHILTON FARMS LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 30 September 2002

		Year Ended 30.9.02	Period 1.11.00 to 30.9.01
	Notes	£	£
TURNOVER	2	784,023	550,923
Cost of sales		<u>668,829</u>	<u>401,054</u>
GROSS PROFIT		115,194	149,869
Administrative expenses		<u>237,297</u>	<u>102,304</u>
		(122,103)	47,565
Other operating income		<u>30,499</u>	<u>7,407</u>
OPERATING (LOSS)/PROFIT	3	(91,604)	54,972
Interest receivable and similar income		<u>1,342</u>	<u>2,910</u>
		(90,262)	57,882
Interest payable and similar charges		<u>9,898</u>	<u>7,842</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(100,160)	50,040
Tax on (loss)/profit on ordinary activities	4	<u>1,829</u>	<u>2,129</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(101,989)	47,911
Retained profit brought forward		<u>647,434</u>	<u>599,523</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£545,445</u></u>	<u><u>£647,434</u></u>

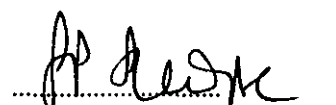
The notes form part of these financial statements

CHILTON FARMS LIMITED**BALANCE SHEET**
30 September 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		2,118,953		2,373,530
Investments	6		36,817		36,817
			<u>2,155,770</u>		<u>2,410,347</u>
CURRENT ASSETS:					
Stocks		324,333		367,346	
Debtors	7	153,174		193,271	
Cash at bank and in hand		369,114		145,292	
		<u>846,621</u>		<u>705,909</u>	
CREDITORS: Amounts falling due within one year	8	<u>510,922</u>		<u>522,798</u>	
NET CURRENT ASSETS:			<u>335,699</u>		<u>183,111</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£2,491,469</u>		<u>£2,593,458</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			545,445		647,434
SHAREHOLDERS' FUNDS:			<u>£2,491,469</u>		<u>£2,593,458</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 June 2002).

ON BEHALF OF THE BOARD:


Mrs S P Scrope - DIRECTOR

Approved by the Board on 21/7/03

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 September 2002

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 June 2002).

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.

Freehold property	- Nil
Dairy herd	- Nil
Improvements to property	- 5% on reducing balance
Plant and 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 tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 loss(2001-profit) are attributable to the one principle activity of the company.

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2002**

3. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging/(crediting):

	Year Ended 30.9.02 £	Period 1.11.00 to 30.9.01 £
Depreciation - owned assets	28,301	32,212
Loss/(Profit) on disposal of fixed assets	83,840	(975)
Auditors' remuneration	6,128	4,000
Pension costs	741	684
Area aid & set aside	110,107	57,010
	<u>21,500</u>	<u>18,500</u>

4. TAXATION

Analysis of the tax charge

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

	Year Ended 30.9.02 £	Period 1.11.00 to 30.9.01 £
Current tax:		
UK corporation tax	1,829	2,129
Tax on (loss)/profit on ordinary activities	1,829	2,129

UK corporation tax was charged at 20% in 2001.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2002

5. TANGIBLE FIXED ASSETS

	Freehold property	Dairy herd	Improvements to property
	£	£	£
COST:			
At 1 October 2001	1,974,891	170,653	147,501
Additions	-	1,200	-
Disposals	-	(171,853)	(52,723)
At 30 September 2002	1,974,891	-	94,778
DEPRECIATION:			
At 1 October 2001	-	-	66,496
Charge for year	-	-	1,907
Eliminated on disposals	-	-	(9,865)
At 30 September 2002	-	-	58,538
NET BOOK VALUE:			
At 30 September 2002	1,974,891	-	36,240
At 30 September 2001	1,974,891	170,653	81,006

	Plant and machinery	Milk quota	Totals
	£	£	£
COST:			
At 1 October 2001	209,365	212,972	2,715,382
Additions	31,306	50,147	82,653
Disposals	(142,346)	-	(366,922)
At 30 September 2002	98,325	263,119	2,431,113
DEPRECIATION:			
At 1 October 2001	137,484	137,873	341,853
Charge for year	1,346	25,048	28,301
Eliminated on disposals	(48,129)	-	(57,994)
At 30 September 2002	90,701	162,921	312,160
NET BOOK VALUE:			
At 30 September 2002	7,624	100,198	2,118,953
At 30 September 2001	71,881	75,099	2,373,530

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2002

5. TANGIBLE FIXED ASSETS - continued

DAIRY HERD MOVEMENTS

	2002		2001	
	No	£	No	£
COST:				
As at 1 November 2001	262	170653	205	99,352
Transfers in	1	1200	105	98,042
Transfers out	(263)	(171852)	(48)	(22741)
	<u>0</u>	<u>0</u>	<u>262</u>	<u>170,653</u>
As at 30 September 2002	<u>0</u>	<u>0</u>	<u>262</u>	<u>170,653</u>

6. FIXED ASSET INVESTMENTS

COST:	£
At 1 October 2001	
and 30 September 2002	<u>36,817</u>
NET BOOK VALUE:	
At 30 September 2002	<u>36,817</u>
At 30 September 2001	<u>36,817</u>

	2002	2001
	£	£
Unlisted investments	<u>36,817</u>	<u>36,817</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
V.A.T.	10,596	9,338
Trade debtors	135,392	176,641
Prepayments & accrued income	7,186	7,292
	<u>153,174</u>	<u>193,271</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank loans and overdrafts	49,941	8,122
Arable Master Loan	163,402	132,186
Trade creditors	16,333	41,298
Directors current accounts	130,532	130,532
Social security & other taxes	249	215
Taxation	1,851	2,129
Accrued expenses	148,614	208,316
	<u>510,922</u>	<u>522,798</u>

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2002

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2002	2001
		value:	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	2002	2001
		value:	£	£
42,491	Ordinary	£1	<u>42,491</u>	<u>42,491</u>

10. SHARE PREMIUM

	2002	2001
	£	£
Brought forward	<u>1,903,533</u>	<u>1,903,533</u>

11. RELATED PARTY DISCLOSURES

At the 30 September 2002 the company was under the control of S P Scrope, a director, and members of her close family.

At the end of the year the company owed G Ward, a director £130,532 (2001 - £130,532). The loan did not exceed £130,532 at any point during the year.