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Registered Number: 431776

G.H. DEAN & COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 1999

REEVES & NEYLAN
Chartered Accountants
Montague Place
Quayside, Chatham Maritime
Chatham
Kent ME4 4QU



G.H. DEAN & COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 31st October 1999

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G.H. DEAN & COMPANY LIMITED**COMPANY INFORMATION****31st October 1999**

Directors	G.L. Doubleday E.G. Doubleday O.P. Doubleday Mrs. C.T.M. Motley P.H. Dean (appointed 7.12.1999)
Secretary	J. Young
Registered office	Hempstead Farm, Bapchild, Sittingbourne, Kent ME9 9BH.
Auditors	Reeves & Neylan Chartered Accountants Montague Place Quayside, Chatham Maritime Chatham Kent ME4 4QU
Company number	431776

G.H. DEAN & COMPANY LIMITED**DIRECTORS' REPORT****31st October 1999**

The directors present their report and the audited financial statements for the year ended 31st October 1999.

Principal activity

The company's activities cover a wide range of farming; in particular arable, fruit and livestock.

Business review

Farming is still going through a difficult phase, and the accounts show a loss for the year. Livestock prices continue to show slow recovery, but are still below pre-BSE levels. A further writing down of cattle and sheep prices, in the stock valuation, was necessary.

The sales figures for arable products are reflected by the comparative strength of Sterling. Similarly, fruit is a depressed sector and the National Acreage continues to decline. Significant sales of development land, by your Company, were achieved during the year, namely £1,756,000 for land at Panteney Orchard (March 1999), and £456,000 for land at Iwade (May 1999). These receipts are being invested in land and buildings. Rodmersham Court Farm was purchased from E.G. Doubleday during August 1999 for £1,605,078 (this transaction was approved at an EGM), and plans for modern sheep housing are being actively pursued. An informal budget for this project is £500,000.

It was decided to tackle the difficult problem of Newbury Farmhouse. This Grade II dwelling has been semi-derelict for several years, and we have been under pressure from the Borough for action. Accordingly, during the year a contract was entered into, to restore and create two dwellings, for letting, in the old Farmhouse, at a cost of approximately £200,000. About half of this cost was paid out during the financial year in question.

Despite the current difficulties, the Directors have confidence in the strength of the business, and this is reflected in the payment of a dividend at the same figure of the previous year.

Results and dividends

The results for the year are shown in the profit and loss account on page 6. An ordinary dividend amounting to £33,854 is proposed (1998 : £33,854).

Fixed assets

The directors are of the opinion that the market value of the company's properties is in excess of the net book amount but the excess has not been quantified. All fixed assets are used in connection with the business of the company. The movement in fixed assets is set out in note 9.

continued....

G.H. DEAN & COMPANY LIMITED

DIRECTORS' REPORT
(continued)

31st October 1999

Directors

The directors of the company during the year and their interests in the shares of the company, including shares belonging to their wives, as recorded in the register of directors' interests were as follows:

	Ordinary 10p shares	
	31st October 1999	1st November 1998
G.L. Doubleday	44,983	44,983
E.G. Doubleday	142,333	142,333
(and as trustee with no beneficial interest)	20,000	20,000
O.P. Doubleday	22,260	22,260
(and as trustee with no beneficial interest)	61,932	61,932
Mrs. C.T.M. Motley	15,000	15,000
(and as trustee with no beneficial interest)	46,932	46,932

Year 2000 issue

The company did not experience any significant problems in respect of the Year 2000 issue. The directors are not aware of any residual risks or uncertainties associated with the Year 2000 issue that affect the company.

Auditors

Reeves & Neylan, as successors to Brian Elvy & Co, have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board


J. Young
Secretary

Hempstead Farm,
Bapchild,
Sittingbourne,
Kent ME9 9BH.

27th June 2000

G.H. DEAN & COMPANY LIMITED

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 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 also 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.

G.H. DEAN & COMPANY LIMITED**Auditors' report to the members of****G.H. Dean & Company Limited**

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, 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.

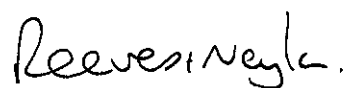
Basis of opinion

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 as at 31st October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



REEVES & NEYLAN
Chartered Accountants and
Registered Auditor

Montague Place
Quayside, Chatham Maritime
Chatham
Kent ME4 4QU

17th July 2000

G.H. DEAN & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st October 1999

	Note	1999 £	1998 £
Turnover	2	1,465,810	1,444,443
Cost of sales		(1,660,085)	(1,533,187)
Gross loss		(194,275)	(88,744)
Net operating expenses			
Distribution costs		(90,984)	(100,505)
Administrative expenses		(224,987)	(186,101)
Operating loss	3	(510,246)	(375,350)
Surplus on sale of assets in continuing operation	6	2,202,496	-
Profit/(loss) on ordinary activities before interest		1,692,250	(375,350)
Investment income	5	414,211	348,862
Profit/(loss) on ordinary activities before taxation		2,106,461	(26,488)
Taxation	7	(3,735)	(10,315)
Profit/(loss) on ordinary activities after taxation		2,102,726	(36,803)
Dividends	8	(33,854)	(33,854)
Retained profit/(loss) for the year	20	2,068,872	(70,657)

Movements in reserves are shown in note 20.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1999 or 1998 other than the profit/(loss) for the year.

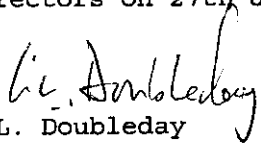
G.H. DEAN & COMPANY LIMITED

BALANCE SHEET

at 31st October 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	9	2,797,535		1,257,888	
Investments	10	26,693		34,401	
Investment in subsidiary undertakings	11	83,614		83,614	
Production herd	12	52,095		52,095	
		<u>2,959,937</u>		<u>1,427,998</u>	
Current assets					
Stocks	13	549,670		633,777	
Debtors	14	346,889		255,972	
Cash at bank and in hand		776,033		128,676	
		<u>1,672,592</u>		<u>1,018,425</u>	
Creditors: amounts falling due within one year	15	(300,747)		(183,513)	
Net current assets		<u>1,371,845</u>		<u>834,912</u>	
Total assets less current liabilities		<u>4,331,782</u>		<u>2,262,910</u>	
Creditors: amounts falling due after more than one year	16	(1,646,167)		(1,646,167)	
		<u>2,685,615</u>		<u>616,743</u>	
Capital and reserves					
Called up share capital	19	43,347		43,347	
Profit and loss account	20	2,642,268		573,396	
Total shareholders' funds	18	<u>2,685,615</u>		<u>616,743</u>	

The financial statements on pages 5 to 18 were approved by the board of directors on 27th June 2000 and signed on its behalf by:


G.L. Doubleday
Director

G.H. DEAN & COMPANY LIMITED

CASH FLOW STATEMENT

for the year ended 31st October 1999

	Note	1999 £	1998 £
Net cash outflow from operating activities	24	(231,542)	(222,790)
Returns on investments and servicing of finance			
Interest received		55,715	23,369
Dividends received		41,819	41,260
Other returns		312,942	273,918
		<u>410,476</u>	<u>338,547</u>
Taxation			
Corporation tax received		-	232
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,798,906)	(280,975)
Purchase of fixed asset investments		-	(1)
Sale of tangible fixed assets		2,301,183	123,185
		<u>502,277</u>	<u>(157,791)</u>
		681,211	(41,802)
Equity dividends paid		(33,854)	(30,777)
		<u>647,357</u>	<u>(72,579)</u>
Increase/(decrease) in cash		<u>647,357</u>	<u>(72,579)</u>

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The company is not required to prepare group accounts because the group qualifies as medium-sized under Section 249 of the Companies Act 1985.

Depreciation

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Land	Nil
Freehold buildings	10% of original cost
Leasehold buildings	10% of original cost
Plant and machinery	25% of original cost

Production herd

Production herd animals are valued according to the Herd Basis rules.

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

The inventory and valuations are stated at the lower of cost and net realisable value on bases consistent with those of previous years.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Deferred taxation is provided under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Pensions

The company operates the Commercial Union Sterling Group Plan. This is a 'money purchase' arrangement providing groups of employees with retirement and death in service benefits. The current contribution rates are 2.5% of earnings for members and 5% for the employer.

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

2 Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

Government assistance received in relation to farming activities is credited to turnover under the accruals basis. This assistance is in the form of livestock premiums, arable payments and nature conservancy premiums and amounted to £160,957 in the year (1998 : £241,266).

3 Operating loss

	1999 £	1998 £
Operating loss is stated after crediting		
Profit on sale of assets	67,572	113,281
and after charging		
Staff costs (note 4)	690,348	742,379
Auditors' remuneration	7,700	7,500
Depreciation of tangible fixed assets (note 9)		
owned assets	228,144	211,415

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

4 Directors and employees

	1999	1998
Staff costs including directors' emoluments	£	£
Wages and salaries	574,931	613,628
Social security costs	41,270	49,427
Pension costs	21,009	22,567
	<u>637,210</u>	<u>685,622</u>

Average monthly number employed including executive directors:	Number	Number
Production	41	44
Sales and distribution	3	3
Administration	3	3
	<u>47</u>	<u>50</u>

Directors	£	£
Emoluments	53,138	56,757
Company contributions to money purchase pension schemes	-	3,000
	<u>53,138</u>	<u>59,757</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,009 (1998 : £22,567).

Contributions totalling £0 (1998 : £2,081) were payable to the fund at 31st October 1999 and are included in creditors.

5 Investment income

	1999	1998
	£	£
Income from listed investments	45,554	51,575
Other interest receivable	55,715	23,369
Net rents receivable	312,824	273,838
Other non-trading income	118	80
	<u>414,211</u>	<u>348,862</u>

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

6 Exceptional items

	1999 £	1998 £
Included in surplus on sale of assets in continuing operation:		
Profit on sale of land	2,202,496	-

7 Taxation

	1999 £	1998 £
Corporation tax at 25.91% (1998 : 21%)	-	-
Tax credit on franked investment income	3,735	10,315
	3,735	10,315

Unrelieved trading losses of £407,930 are carried forward and are available to reduce the taxation liability in respect of future profits.

No taxation provision has been included in the accounts for the gains arising on land sales as a full rollover claim is expected to be lodged with the Inland Revenue.

8 Dividends

	1999 £	1998 £
Ordinary - proposed 7.81p (1998 : 7.81p)	33,854	33,854

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

9 Tangible fixed assets

Cost	Freehold land and buildings £	Leasehold land and buildings £	Tractors, plant and vehicles £	Total £
At 1st November 1998	860,049	45,325	981,445	1,886,819
Additions	1,623,693	-	175,213	1,798,906
Disposals	(21,500)	-	(179,513)	(201,013)
At 31st October 1999	2,462,242	45,325	977,145	3,484,712
Depreciation				
At 1st November 1998	120,053	37,967	470,911	628,931
Charge for year	18,117	1,959	208,068	228,144
Disposals	-	-	(169,898)	(169,898)
At 31st October 1999	138,170	39,926	509,081	687,177
Net book amount				
At 31st October 1999	2,324,072	5,399	468,064	2,797,535
At 1st November 1998	739,996	7,358	510,534	1,257,888

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

10 Fixed asset investments

	1999 £
Cost	
At 1st November 1998	38,134
Additions	-
	<hr/>
At 31st October 1999	38,134
	<hr/>
Provision against investments	
At 1st November 1998	3,733
Provision in year	7,708
	<hr/>
At 31st October 1999	11,441
	<hr/>
Net book amount	
At 31st October 1999	26,693
	<hr/> <hr/>
At 1st November 1998	34,401
	<hr/> <hr/>
	1999 £
Listed investments included above:	
Fixed asset investments - cost	17,005
	<hr/> <hr/>
Fixed asset investments - market value	1,308,505
	<hr/> <hr/>

The market value of the investments is in excess of their values at 31st March 1982. There are no plans for sale in the foreseeable future of any substantial investment holdings, hence no deferred taxation effects have been considered for inclusion in these financial statements.

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

11 Investment in subsidiary undertakings

	1999	1998
	£	£
Cost		
At 1st November 1998 and 31st October 1999	83,614	83,614

The investment represents a 100% holding in G.H. Dean (1920) Limited, a company which has been dormant since 31st January 1994 when its trade was transferred to G.H. Dean & Company Limited.

G.H. Dean (1920) Limited has a 100% holding in Radfield Limited which has been dormant since 31st October 1992. Both companies are registered in England.

Extracts from the financial statements of the subsidiary undertakings are as follows:

	Capital and reserves 31st October 1999
	£
G.H. Dean (1920) Limited	1,225,832
Radfield Limited	454,165

12 Production herd

	1999
	£
Replacement cost	181,850
Historical cost at 31st October 1999	52,095
Historical cost at 1st November 1998	52,095

13 Stocks

	1999	1998
	£	£
Crops in store	350,632	378,933
Livestock	109,738	127,550
Cultivations	31,819	39,055
Consumables	57,481	88,239
	549,670	633,777

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

14 Debtors

	1999	1998
	£	£
Amounts falling due within one year		
Trade debtors	116,338	178,990
Other debtors	92,918	50,536
Prepayments and accrued income	137,633	26,446
	<u>346,889</u>	<u>255,972</u>

15 Creditors: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	225,265	107,802
Other taxation and social security	13,125	10,495
Proposed dividend	33,854	33,854
Accruals and deferred income	28,503	31,362
	<u>300,747</u>	<u>183,513</u>

16 Creditors: amounts falling due after more than one year

	1999	1998
	£	£
Amounts owing to subsidiary undertakings	1,646,167	1,646,167
	<u>1,646,167</u>	<u>1,646,167</u>

17 Deferred taxation

	1999		1998	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by:				
Capital allowances in excess of depreciation	30,739	-	24,332	-
	<u>30,739</u>	<u>-</u>	<u>24,332</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 25.91% (1998 : 21%).

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

18 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit/(loss) for the financial year	2,102,726	(36,803)
Dividends	(33,854)	(33,854)
Net addition to/(subtraction from) shareholders' funds	2,068,872	(70,657)
Opening shareholders' funds	616,743	687,400
Closing shareholders' funds	2,685,615	616,743

19 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary 10p shares	500,000	50,000	500,000	50,000
Allotted called up and fully paid				
Ordinary 10p shares	433,474	43,347	433,474	43,347

20 Profit and loss account

	1999 £
At 1st November 1998	573,396
Retained profit for the year	2,068,872
At 31st October 1999	2,642,268

21 Guarantees and other financial commitments

At the balance sheet date, the company had not contracted to purchase any capital equipment (1998 : nil).

22 Contingent liability

Newbury Farmhouse

This is a listed property (Grade II) which is unoccupied. A development plan has been approved, and work has started during the year. It is estimated that a sum of approximately £200,000 will be required to put the property in order. Work is expected to finish during the current year.

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

23 Related parties

During the year the company received sales income of £95,665 from SCATS, of which Mr. O.P. Doubleday is a director. In addition, the company made purchases of fertilisers, feedingstuffs and fuel worth £6,580 from SCATS. All the above transactions were carried out at arm's length.

The company acquired goods and services from Bax Farm for £13,650 and marketed fruit on its behalf for £541. It also received income of £9,113 from Bax Farm in respect of costs and expenses recharged. Bax Farm is owned by Mr. O.P. Doubleday and all transactions were carried out at market value.

The company paid rent of £32,548 to Mr. E.G. Doubleday during the year.

During the year, the company purchased, at arms length, from Mr. E.G. Doubleday Rodmersham Court Farm for £1,550,000 plus stamp duty of £54,250.

24 Notes to the cash flow statement

Reconciliation of operating loss
to operating cash flows

	1999 £	1998 £
Operating loss	(510,246)	(375,350)
Depreciation charges	228,144	211,415
Amounts written off investments	7,708	-
Profit on sale of fixed assets	(67,572)	(113,281)
Decrease in stocks	84,107	52,464
Increase in debtors	(90,917)	(13,509)
Increase in creditors	117,234	15,471
Net cash outflow from operating activities	(231,542)	(222,790)

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1999

25 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash in hand, at bank	128,676	647,357	776,033
		<u>647,357</u>	
Total	<u>128,676</u>	<u>647,357</u>	<u>776,033</u>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Increase/(decrease) in cash in the year	647,357	(72,829)
Change in net debt resulting from cash flows	647,357	(72,829)
Net funds at 1st November 1998	128,676	201,505
Net funds at 31st October 1999	<u>776,033</u>	<u>128,676</u>