

CH

Registered Number: 431776

G.H. DEAN & COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 1997

BRIAN ELVY & CO
Chartered Accountants
1A High Street
Sittingbourne
Kent
ME10 4AY



G.H. DEAN & COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 31st October 1997

CONTENTS

	Page
Company information	1
Director's report	2
Statement of director's responsibilities	3
Auditors' reports	4 and 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 18

COMPANY INFORMATION

31st October 1997

Directors	G.L. Doubleday E.G. Doubleday O.P. Doubleday Mrs. C.T.M. Motley
Secretary	J. Young
Registered office	Hempstead Farm, Bapchild, Sittingbourne, Kent ME9 9BH.
Auditors	Brian Elvy & Co Chartered Accountants 1A High Street Sittingbourne Kent ME10 4AY
Company number	431776

DIRECTORS' REPORT

31st October 1997

The directors present their report and the audited financial statements for the year ended 31st October 1997.

Principal activity

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

Business review

It was a difficult farming year with adverse trading conditions in almost all departments. Beef cattle prices remained depressed as the BSE problems persist. Grain prices fell sharply due largely to currency factors. Potatoes were a poor trade. Fruit yields were severely affected by late frosts.

All areas of the business are being reviewed, with the aim of reducing costs and increasing efficiency.

Results and dividends

The results for the year are shown in the profit and loss account on page 6. An ordinary dividend amounting to £30,777 is proposed (1996 : £30,777).

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. No provision for deferred taxation has been made as no substantial disposals are anticipated in the foreseeable future which would give rise to a tax liability. All fixed assets are used in connection with the business of the company. The movement in fixed assets is set out in note 8.

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 1997	1st November 1996
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

Auditors

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

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


J. Young
Secretary

22 April 1998

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 6 to 18 which have been prepared under the accounting policies set out on page 9.

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BRIAN ELVY & CO.
Chartered Accountants and
Registered Auditor

1A High Street
Sittingbourne
Kent
ME10 4AY

29 April 1998

G.H. DEAN & COMPANY LIMITED

Auditors' report to the directors of G.H. Dean & Company Limited
pursuant to Section 248 of the Companies Act 1985

We have examined the financial statements of the company and each of its subsidiary undertakings for the year ended 31st October 1997. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemption conferred by Section 248 from preparing group financial statements.

In our opinion, for the year ended 31st October 1997 the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.



BRIAN ELVY & CO.
Chartered Accountants and
Registered Auditor

1A High Street
Sittingbourne
Kent
ME10 4AY

29 April 1998

PROFIT AND LOSS ACCOUNT

for the year ended 31st October 1997

	Note	1997 £	1996 £
Turnover	2	1,460,131	1,760,095
Cost of sales		(1,403,612)	(1,362,223)
Gross profit		56,519	397,872
Net operating expenses			
Distribution costs		(125,682)	(164,673)
Administrative expenses		(192,687)	(197,291)
Operating (loss)/profit	3	(261,850)	35,908
Investment income	5	274,412	270,553
Profit on ordinary activities before taxation		12,562	306,461
Taxation	6	(9,398)	(59,032)
Profit on ordinary activities after taxation		3,164	247,429
Dividends	7	(30,777)	(30,777)
Retained (loss)/profit for the year	19	(27,613)	216,652

Movements in reserves are shown in note 19.

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

There are no recognised gains and losses in 1997 or 1996 other than the loss for the year.

BALANCE SHEET

at 31st October 1997

	Note	1997		1996	
		£	£	£	£
Fixed assets					
Tangible assets	8	1,197,982		1,207,984	
Investments	9	34,400		34,400	
Investment in subsidiary undertakings	10	83,614		83,614	
Production herd	11	52,095		52,095	
		<u>1,368,091</u>		<u>1,378,093</u>	
Current assets					
Stocks	12	686,241	680,616		
Debtors	13	250,157	372,291		
Cash at bank and in hand		201,505	158,684		
		<u>1,137,903</u>	<u>1,211,591</u>		
Creditors: amounts falling due within one year	14	(172,427)	(228,504)		
Net current assets		<u>965,476</u>	<u>983,087</u>		
Total assets less current liabilities		<u>2,333,567</u>	<u>2,361,180</u>		
Creditors: amounts falling due after more than one year	15	(1,646,167)	(1,646,167)		
		<u>687,400</u>	<u>715,013</u>		
Capital and reserves					
Called up share capital	18	43,347	43,347		
Profit and loss account	19	644,053	671,666		
Total shareholders' funds	17	<u>687,400</u>	<u>715,013</u>		

The financial statements on pages 6 to 18 were approved by the board of directors on 22 April 1998 and signed on its behalf by:

G.L. Doubleday
G.L. Doubleday
Director

G.H. DEAN & COMPANY LIMITED

CASH FLOW STATEMENT

for the year ended 31st October 1997

	Note	1997		1996	
		£	£	£	£
Net cash outflow from operating activities	23		(22,341)		(11,848)
Returns on investments and servicing of finance					
Interest received		19,425		24,155	
Dividends received		38,522		34,644	
Other returns		206,834		203,093	
Taxation			264,781		261,892
Corporation tax paid			(53,058)		(27,246)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(197,152)		(194,145)	
Sale of tangible fixed assets		88,868		66,134	
Sale of fixed asset investments		-		34,475	
			(108,284)		(93,536)
Equity dividends paid			81,098		129,262
			(30,777)		(29,042)
Financing			50,321		100,220
Capital element of finance lease rentals		(7,500)		(26,970)	
			(7,500)		(26,970)
Increase in cash			42,821		73,250

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

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

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

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.

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

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 £217,553 in the year (1996 : £258,304).

3 Operating (loss)/profit

	1997 £	1996 £
Operating (loss)/profit is stated after crediting		
Profit on sale of assets	81,188	64,027
and after charging		
Staff costs (note 4)	753,468	789,870
Auditors' remuneration	6,900	6,400
Depreciation of tangible fixed assets (note 8)		
owned assets	199,474	150,651
leased assets	-	6,817
	199,474	157,468
The total amount charged against profits in respect of finance leases and hire purchase contracts is	-	8,452
(of which part is shown as depreciation and the balance is shown as interest payable).		

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

4 Directors and employees

	1997 £	1996 £
Staff costs including directors' emoluments		
Wages and salaries	616,893	654,255
Social security costs	48,421	46,451
Pension costs	25,333	26,426
	<u>690,647</u>	<u>727,132</u>
Average monthly number employed including executive directors:	Number	Number
Production	47	54
Sales and distribution	3	3
Administration	3	2
	<u>53</u>	<u>59</u>
Directors	£	£
Emoluments	<u>65,821</u>	<u>65,613</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 £25,333 (1996 : £26,426).

Contributions totalling £5,623 (1996 : £1,362) were payable to the fund at 31st October 1997 and are included in creditors.

5 Investment income

	1997 £	1996 £
Income from listed investments	48,153	43,305
Other interest receivable	19,425	24,155
Net rents receivable	206,834	197,583
Other non-trading income	-	5,510
	<u>274,412</u>	<u>270,553</u>

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

6 Taxation

	1997 £	1996 £
Corporation tax at 22.8% (1996 : 24.4%)	(233)	53,452
Tax credit on franked investment income	9,631	8,661
	<u>9,398</u>	<u>62,113</u>
Over provision in earlier years	-	(3,081)
	<u>9,398</u>	<u>59,032</u>

Unrelieved losses of £244,850 are carried forward and are available to reduce the taxation liability in respect of future profits.

7 Dividends

	1997 £	1996 £
Ordinary - proposed 7.1p (1996 : 7.1p)	<u>30,777</u>	<u>30,777</u>

8 Tangible fixed assets

Cost	Freehold land and buildings £	Leasehold land and buildings £	Tractors, plant and vehicles £	Total £
At 1st November 1996	860,299	45,325	778,162	1,683,786
Additions	-	-	197,152	197,152
Disposals	-	-	(90,122)	(90,122)
At 31st October 1997	<u>860,299</u>	<u>45,325</u>	<u>885,192</u>	<u>1,790,816</u>
Depreciation				
At 1st November 1996	84,198	34,049	357,555	475,802
Charge for year	18,053	1,959	179,462	199,474
Disposals	-	-	(82,442)	(82,442)
At 31st October 1997	<u>102,251</u>	<u>36,008</u>	<u>454,575</u>	<u>592,834</u>
Net book amount				
At 31st October 1997	<u>758,048</u>	<u>9,317</u>	<u>430,617</u>	<u>1,197,982</u>
At 1st November 1996	<u>776,101</u>	<u>11,276</u>	<u>420,607</u>	<u>1,207,984</u>

The net book amount of fixed assets includes £Nil (1996 : £15,906) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

9 Fixed asset investments

	1997 £
Cost	
At 1st November 1996	38,133
Disposals in year	-
At 31st October 1997	<u>38,133</u>
Provision against investments	
At 1st November 1996	3,733
Provision in year	-
At 31st October 1997	<u>3,733</u>
Net book amount	
At 31st October 1997	<u>34,400</u>
At 1st November 1996	<u>34,400</u>
	1997 £
Listed investments included above:	
Fixed asset investments - cost	<u>17,005</u>
Fixed asset investments - market value	<u>1,378,407</u>

£17,383 of the cost of the unlisted investments refers to a holding traded on the Stock Exchange under Rule 535(2).

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.

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

10 Investment in subsidiary undertakings

	1997 £	1996 £
Cost		
At 1st November 1996 and 31st October 1997	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 1997 £
G.H. Dean (1920) Limited	1,225,832
Radfield Limited	454,165

11 Production herd

	1997 £
Replacement cost	181,850
Historical cost at 31st October 1997	52,095
Historical cost at 1st November 1996	52,095

12 Stocks

	1997 £	1996 £
Crops in store	430,216	364,565
Livestock	170,715	175,048
Cultivations	34,270	52,847
Consumables	51,040	88,156
	686,241	680,616

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

13 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	180,294	249,012
Other debtors	43,633	95,002
Prepayments and accrued income	26,230	28,277
	<u>250,157</u>	<u>372,291</u>

14 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	92,599	90,066
Corporation tax	7,462	60,753
Other taxation and social security	11,547	11,728
Proposed dividend	30,777	30,777
Accruals and deferred income	30,042	27,680
Obligations under finance leases and hire purchase contracts - note 15	-	7,500
	<u>172,427</u>	<u>228,504</u>

15 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Amounts owing to subsidiary undertakings	1,646,167	1,646,167
	<u>1,646,167</u>	<u>1,646,167</u>

Obligations under finance leases
and hire purchase contracts

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 14	-	7,500
--------------------------------	---	-------

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

16 Deferred taxation

	1997		1996	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by:				
Capital allowances in excess	6,825	-	10,513	-

The potential liability and provision are based on a corporation tax rate of 22.8% (1996 : 24.4%).

17 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	3,164	247,429
Dividends	(30,777)	(30,777)
Net (subtraction from)/addition to shareholders' funds	(27,613)	216,652
Opening shareholders' funds	715,013	498,361
Closing shareholders' funds	687,400	715,013

18 Called up share capital

	1997		1996	
	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

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

19 Profit and loss account

	1997 £
At 1st November 1996	671,666
Retained loss for the year	(27,613)
	<hr/>
At 31st October 1997	644,053
	<hr/>

20 Guarantees and other financial commitments

At the balance sheet date, the company had contracted to purchase capital equipment for a total cost of £38,350 after deducting discounts and trade-in allowances.

21 Contingent liability

Newbury Farmhouse

This is a listed property (Grade II) which is unoccupied. A development plan has been approved but work has not started as grant assistance may be obtainable. To put the property in order a sum of £150,000 may well be required.

22 Related parties

During the year the company received sales income of £24,951 from SCATS, of which Mr. O.P. Doubleday is a director. In addition, the company made purchases of fertilisers and fuel worth £30,572 from SCATS. All the above transactions were carried out at arm's length.

The company acquired goods and services from Bax Farm for £18,883 and marketed fruit on its behalf for £14,225. It also received income of £13,998 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 £12,000 to Mr. E.G. Doubleday during the year.

G.H. DEAN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st October 1997

23 Notes to the cash flow statement

Reconciliation of operating (loss)/profit
to operating cash flows

	1997 £	1996 £
Operating (loss)/profit	(261,850)	35,900
Depreciation charges	199,474	157,468
Profit on sale of fixed assets	(81,188)	(64,027)
Increase in stocks	(5,625)	(30,672)
Decrease/(increase) in debtors	122,134	(57,829)
Increase/(decrease) in creditors	4,714	(52,696)
Net cash outflow from operating activities	<u>(22,341)</u>	<u>(11,848)</u>

24 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	158,684	42,821	201,505
		<u>42,821</u>	
Finance leases	(7,500)	7,500	-
		<u>7,500</u>	
Total	<u>151,184</u>	<u>50,321</u>	<u>201,505</u>

Reconciliation of net cash flow to movement in net debt

	1997 £	1996 £
Increase in cash in the year	42,821	73,250
Cash outflow from decrease in debt and lease financing	7,500	26,970
Change in net debt resulting from cash flows	<u>50,321</u>	<u>100,220</u>
Net funds at 1st November 1996	151,184	50,964
Net funds at 31st October 1997	<u>201,505</u>	<u>151,184</u>