

G READ (FARMS) LIMITED

COMPANY NUMBER: 888427

DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1997

Bird Luckin



DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements of the company for the year ended 30 April 1997.

ACTIVITIES

The principal activity of the company is arable farming.

DIRECTORS

The directors of the company during the year are shown below together with their interests in the company's shares at the year end.

	30 April 1997	1 May 1996 (or date of appointment)
MJ Read	8,448	8,448
Mrs PA Read	-	-

PROVISIONS APPLICABLE TO SMALL COMPANIES

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

By order of the board

MRS PA READ
Secretary

P. A. Read

Date .26.11.97

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS ON THE UNAUDITED
FINANCIAL STATEMENTS OF G READ (FARMS) LIMITED

We report on the financial statements for the year ended 30 April 1997
set out on pages 3 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS
As described on page 4, 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

Our work was conducted 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:

1. the financial statements are in agreement with the accounting records
kept by the company under section 221 of the Companies Act 1985;
2. having regard only to, and on the basis of, the information contained
in those accounting records:
 - 2.1 the financial statements have been drawn up in a manner consistent with
the accounting requirements specified in section 249C(6) of the Act; and
 - 2.2 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).



BIRD LUCKIN
Reporting Accountants and
Chartered Accountants

Aquila House
Waterloo Lane
Chelmsford
Essex CM1 1BN

9.12.97
Date

UNAUDITED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1997

	Note	£	1996 £
TURNOVER	2	166,744	170,011
Cost of sales		(42,119)	(38,440)
GROSS PROFIT		124,625	131,571
Administrative expenses		(103,043)	(92,955)
Other operating income		493	1,187
OPERATING PROFIT		22,075	39,803
Interest receivable and similar income		1,081	1,195
Interest payable and similar charges		(267)	(425)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	22,889	40,573
Tax on profit on ordinary activities	5	(2,455)	(11,232)
PROFIT RETAINED	13	20,434	29,341

Movements in reserves are set out in note 13.

Turnover and operating profit derive from continuing operations.

Total gains recognised wholly comprise the profit for the current and preceding financial year as detailed above. A statement of total recognised gains and losses is therefore not required.

There is no difference between the figures stated above and their historical cost equivalent.

UNAUDITED BALANCE SHEET
30 APRIL 1997

	Note	£	£	1996 £
FIXED ASSETS				
Tangible assets	6		119,781	84,847
CURRENT ASSETS				
Stocks	7	57,173		53,830
Debtors	8	35,138		1,633
Cash at bank and in hand		40,010		82,040
		<u>132,321</u>		<u>137,503</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
	9	(25,651)		(19,767)
NET CURRENT ASSETS			<u>106,670</u>	<u>117,736</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			226,451	202,583
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
	10	(5,084)		-
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(9,550)</u>		<u>(11,200)</u>
			<u>(14,634)</u>	<u>(11,200)</u>
			<u>211,817</u>	<u>191,383</u>
CAPITAL AND RESERVES				
Called up share capital	12		10,002	10,002
Profit and loss account	13		201,815	181,381
EQUITY SHAREHOLDERS' FUNDS			<u>211,817</u>	<u>191,383</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.

NOTES TO UNAUDITED BALANCE SHEET

30 APRIL 1997

These financial statements were approved by the board on

The directors confirm in accordance with section 249B(4) of the Companies Act 1985 that:-

1. for the year ended 30 April 1997 the company was entitled to exemption under section 249A(2) of the above Act from the requirement to have an audit;
2. no notice has been deposited under section 249B(2) of the above Act in relation to these financial statements;
3. they acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the above Act and preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 April 1997 and of its profit for the year then ended in accordance with the requirements of section 226 of the above Act and which otherwise comply with the requirements of the above Act relating to financial statements, so far as applicable to the company.

Directors:

MJ READ

M. J. Read

MRS PA READ

P. A. Read.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1997

1. ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

1.2 DEPRECIATION

Fixed assets are stated at cost or professional valuation less depreciation. Depreciation is calculated to write off fixed assets, less estimated residual value, over their estimated useful lives at the following annual rates:

Improvements to property	10% on cost
Grain dryer	12.5% on written down value
Motor vehicles	25% on written down value
Combines and implements	12.5% to 27.5% on written down value

1.3 STOCKS

Stocks are professionally valued by Strutt & Parker. All stocks are valued at the lower of cost and net realisable value.

1.4 DEFERRED TAXATION

Provision is made at the current rate of corporation tax for timing differences that arise between the accounting and taxation treatment of income and expenditure to the extent that it is probable that a liability or asset will crystallise.

1.5 REVENUE ARISING FROM THE ARABLE AREA PAYMENTS SCHEME

Area payments expected to arise under the arable area payments scheme are not recognised in full or in part until the crops attracting area payments are sold, when the income is recognised on a pro-rata basis as the crop is sold. Revenue arising on bare land which has been set aside is recognised in full when the set aside compliance period is ended.

1.6 FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Assets acquired under finance leases and hire purchase contracts are capitalised, with an equivalent liability included as appropriate under creditors due within one year or after more than one year. Associated finance charges are written off, by equal instalments, over the primary period of the lease or over the period of the hire purchase contract.

1.7 PENSION COSTS

The company operates a defined contribution pension scheme. The pension costs are charged to the profit and loss account in the year they are payable by the company.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided net of value added tax and trade discounts.

The turnover originated in the United Kingdom.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1997

	£	1996 £
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
After charging:		
Depreciation (note 6):		
Owned assets	21,597	21,969
Assets acquired under finance leases and hire purchase contracts	8,650	-
Operating lease rentals:		
Other operating leases	120	120
Finance charges payable - finance lease and hire purchase contracts	267	425
and after crediting:		
Other receipts including wayleaves	493	508
Contract work	-	679
4. DIRECTORS REMUNERATION		
Management remuneration	33,938	24,675
Pension contributions	2,108	2,108
	36,046	26,783
5. TAX ON PROFIT ON ORDINARY ACTIVITIES		
On the profit for the year:		
Corporation tax @ 23.75% (1996: 25%)	4,063	11,232
Deferred tax current year	(1,650)	-
	2,413	11,232
Prior year:		
Corporation tax	42	-
	2,455	11,232

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1997

6. TANGIBLE FIXED ASSETS

	Property improvement £	Grain dryer £	Motor vehicles £	Combines, tractors & implements £	Total
COST					
1 May 1996	23,192	35,616	27,527	202,012	288,347
Additions	-	-	-	66,350	66,350
Disposals	-	-	-	(22,217)	(22,217)
30 April 1997	23,192	35,616	27,527	246,145	332,480
DEPRECIATION					
1 May 1996	23,192	32,165	16,215	131,928	203,500
Charge	-	431	2,828	26,988	30,247
Disposals	-	-	-	(21,048)	(21,048)
30 April 1997	23,192	32,596	19,043	137,868	212,699
NET BOOK AMOUNT					
30 APRIL 1997	-	3,020	8,484	108,277	119,781
30 APRIL 1996	-	3,451	11,312	70,084	84,847
Finance leases and hire purchase contracts included in the above net book amounts:					
30 April 1997	-	-	-	34,600	34,600
30 April 1996	-	-	-	-	-

7. STOCKS

	1996 £	£
Harvested crops	1,665	160
Tillages	53,319	51,890
Sundry stocks	2,189	1,780
	57,173	53,830

The replacement value of stocks is not considered to be materially different from the stated figures.

8. DEBTORS

Trade debtors	31,910	-
Other debtors	2,958	1,633
Prepayments	270	-
	35,138	1,633

There are no debtors falling due after more than one year.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1997

	£	1996 £
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	5,092	2,370
Corporation tax	4,063	11,232
Other taxes and social security costs	7,154	2,823
Obligations under finance leases and hire purchase contracts (note 10)	5,083	-
Accruals and deferred income	4,047	3,115
Directors loans	212	227
	<u>25,651</u>	<u>19,767</u>
10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Obligations under finance leases and hire purchase contracts (note 10.*)	5,084	-
	<u>5,084</u>	<u>-</u>
10.* Obligations under Finance Leases and Hire Purchase Contracts		
Payable between one and two years	5,084	-
Payable between two and five years	-	-
Payable after five years	-	-
	<u>5,084</u>	<u>-</u>
The amount repayable within one year of £ 5,083 (1996: £ 0) is shown in note 9.		
11. PROVISIONS FOR LIABILITIES AND CHARGES DEFERRED TAXATION		
Comprising timing differences at 21p (1996: 25%) on:		
Depreciation	9,550	11,200
	<u>9,550</u>	<u>11,200</u>
12. SHARE CAPITAL		
Authorised:		
20,000 (1996: 20,000) ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid:		
10,002 (1996: 10,002) ordinary shares of £1 each	<u>10,002</u>	<u>10,002</u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1997

	£	1996 £
13. PROFIT AND LOSS ACCOUNT		
1 May 1996	181,381	152,040
Profit retained	20,434	29,341
	<hr/>	<hr/>
30 April 1997	201,815	181,381
	<hr/>	<hr/>

14. PENSION SCHEME

DEFINED CONTRIBUTION SCHEME

The company operates a defined contribution pension 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 amounts to £ 2,108 (1996: £ 2,108). There were no arrears or prepayments of premiums at the balance sheet date.

15. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

Profit for the financial year		
after taxation	20,434	29,341
Opening equity shareholders' funds	191,383	162,042
	<hr/>	<hr/>
Closing equity shareholders' funds	211,817	191,383
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16. RELATED PARTY TRANSACTIONS

M Read is a director and majority shareholder of the company.

During the year the company farmed land that is owned by M Read. There was no rent charged for this.

The company paid £11,476 on behalf of M Read in respect of personal expenses. This has been offset against amounts due to him.

At the year end there was £212 due to M Read.

G READ (FARMS) LIMITED

ARABLE TRADING ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1997

	Wheat £	Industrial rape £	Beans and peas £	Barley £	Setaside £	Total £	1996
OUTPUT							
Sales	71,316	10,132	14,942	19,763	-	116,153	116,504
Own grown seed	3,725	-	-	-	-	3,725	5,446
Area aid payments	28,138	-	12,386	-	6,342	46,866	48,061
	103,179	10,132	27,328	19,763	6,342	166,744	170,011

VARIABLE COSTS

Opening tillages	52,050	51,026
Seeds	9,696	10,199
Fertilizer and sprays	30,065	25,792
Contract work	2,073	2,514
Other expenses	1,594	959
Closing tillages and crops	(53,359)	(52,050)
TOTAL VARIABLE COSTS	42,119	38,440

GROSS MARGIN (page 12)

124,625

PREVIOUS YEAR

131,571