

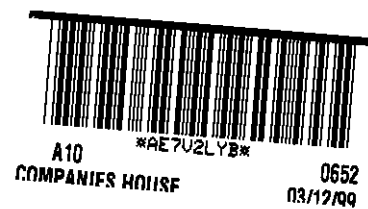
G READ (FARMS) LIMITED

COMPANY NUMBER: 888427

DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1999

Bird Luckin



DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements of the company for the year ended 30 April 1999.

ACTIVITIES

The principal activity of the company is arable farming.

YEAR 2000 COMPLIANCE

The directors have assessed the risks to the company's operations resulting from the date change to the year 2000. It is anticipated that the impact is likely to be insignificant. Any risks identified will be addressed in advance of critical dates and without disruption to the company's activities.

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 1999	1 May 1998 (or date of appointment)
MJ Read	8,448	8,448
Mrs PA Read	-	-

SMALL COMPANY PROVISIONS

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

By order of the board

P.A. Read

MRS PA READ
Secretary

19/11/99

ON THE UNAUDITED FINANCIAL STATEMENTS OF

G READ (FARMS) LIMITED

We report on the financial statements for the year ended 30 April 1999 set out on pages 3 to 10. We have not carried out an audit on these financial statements.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND ACCOUNTANT

As described on page 4, you are responsible for the preparation of the financial statements, and consider that the company is exempt from an audit. In accordance with your instructions, and in order to assist you to comply with your statutory requirements, we have prepared these financial statements from the accounting records and the information and explanations supplied by you.

BIRD LUCKIN

Reporting Accountants and
Chartered Accountants

Aquila House
Waterloo Lane
Chelmsford
Essex CM1 1BN

UNAUDITED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1999

	Note	£	1998 £
TURNOVER	2	140,680	132,669
Cost of sales		(35,475)	(39,637)
GROSS PROFIT		105,205	93,032
Administrative expenses		(99,353)	(88,069)
Other operating income		939	1,441
OPERATING PROFIT		6,791	6,404
Interest receivable and similar income		3,418	1,070
Interest payable and similar charges		(231)	(232)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	9,978	7,242
Tax on profit on ordinary activities	5	(1,724)	(1,850)
PROFIT RETAINED	12	8,254	5,392

Movements in reserves are set out in note 12.

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 1999

	Note	£	£	1998 £
FIXED ASSETS				
Tangible assets	6		93,734	100,094
CURRENT ASSETS				
Stocks	7	54,610		67,982
Debtors	8	8,947		18,794
Cash at bank and in hand		88,823		70,018
		<u>152,380</u>		<u>156,794</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(11,651)		(30,129)
NET CURRENT ASSETS			<u>140,729</u>	<u>126,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			234,463	226,759
PROVISIONS FOR LIABILITIES AND CHARGES	10		(9,000)	(9,550)
			<u>225,463</u>	<u>217,209</u>
CAPITAL AND RESERVES				
Called up share capital	11		10,002	10,002
Profit and loss account	12		215,461	207,207
EQUITY SHAREHOLDERS' FUNDS			<u>225,463</u>	<u>217,209</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

These financial statements were approved by the board on ..19.11.99....

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

1. for the year ended 30 April 1999 the company was entitled to exemption under section 249A(1) 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 1999 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 1999

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 1999

	£	1998 £
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
After charging:		
Depreciation (note 6):		
Owned assets	23,090	18,040
Assets acquired under finance leases and hire purchase contracts	-	6,920
Operating lease rentals:		
Other operating leases	120	120
Finance charges payable - finance lease and hire purchase contracts	231	232
Directors' remuneration (note 4)	32,338	22,658
	<u> </u>	<u> </u>
and after crediting:		
Other receipts including wayleaves	(939)	(1,441)
	<u> </u>	<u> </u>
4. DIRECTORS REMUNERATION		
Emoluments	30,230	20,550
Pension contributions	2,108	2,108
	<u> </u>	<u> </u>
	32,338	22,658
	<u> </u>	<u> </u>
The pension contributions made by the company are in respect of defined contribution schemes. (note 13).		
One director was accruing retirement benefits under a defined contribution scheme (note 13).		
No payments were made or shares issued to directors under long term incentive schemes.		
5. TAX ON PROFIT ON ORDINARY ACTIVITIES		
On the profit for the year:		
Corporation tax @ 20% (1998: 21%)	2,277	1,850
Deferred tax current year	(550)	-
	<u> </u>	<u> </u>
	1,727	1,850
Prior year:		
Corporation tax	(3)	-
	<u> </u>	<u> </u>
	1,724	1,850
	<u> </u>	<u> </u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1999

6. TANGIBLE FIXED ASSETS

	Property improvement £	Grain dryer £	Motor vehicles £	Combines, tractors & implements £	Total
COST					
1 May 1998	23,192	35,616	27,527	245,797	332,132
Additions	-	-	11,900	10,600	22,500
Disposals	-	-	(10,576)	(6,250)	(16,826)
30 April 1999	23,192	35,616	28,851	250,147	337,806
DEPRECIATION					
1 May 1998	23,192	32,974	21,165	154,707	232,038
Charge	-	330	3,729	19,031	23,090
Disposals	-	-	(7,230)	(3,826)	(11,056)
30 April 1999	23,192	33,304	17,664	169,912	244,072
NET BOOK AMOUNT					
30 APRIL 1999	-	2,312	11,187	80,235	93,734
30 APRIL 1998	-	2,642	6,362	91,090	100,094
Finance leases and hire purchase contracts included in the above net book amounts:					
30 April 1999	-	-	-	-	-
30 April 1998	-	-	-	27,680	27,680

7. STOCKS

	1998 £	1998 £
Harvested crops	340	15,110
Tillages	51,935	49,396
Sundry stocks	2,335	3,476
	54,610	67,982

8. DEBTORS

Trade debtors	6,917	6,954
Other debtors	360	-
Directors Loans - M J Read	1,670	11,840
	8,947	18,794

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

The maximum amount outstanding on M J Read's directors loan during the year was £11,840.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1999

	£	1998 £
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	5,066	4,279
Corporation tax	2,277	1,850
Other taxes and social security costs	1,482	7,970
Obligations under finance leases and hire purchase contracts	-	5,084
Accruals and deferred income	2,826	10,946
	<u>11,651</u>	<u>30,129</u>
10. PROVISIONS FOR LIABILITIES AND CHARGES DEFERRED TAXATION		
Comprising timing differences at 20% (1998: 21%) on:		
Depreciation	9,000	9,550
	<u>9,000</u>	<u>9,550</u>
11. SHARE CAPITAL		
Authorised:		
20,000 (1998: 20,000) ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid:		
10,002 (1998: 10,002) ordinary shares of £1 each	<u>10,002</u>	<u>10,002</u>
12. PROFIT AND LOSS ACCOUNT		
1 May 1998	207,207	201,815
Profit retained	<u>8,254</u>	<u>5,392</u>
30 April 1999	<u>215,461</u>	<u>207,207</u>
13. 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 (1998: £ 2,108). There were no arrears or prepayments of premiums at the balance sheet date.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1999

	£	1998 £
14. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS		
Profit for the financial year after taxation	8,254	5,392
Opening equity shareholders' funds	217,209	211,817
Closing equity shareholders' funds	<u>225,463</u>	<u>217,209</u>

15. ULTIMATE CONTROLLING PARTY

MJ Read is the controlling party of the company.

16. RELATED PARTY TRANSACTIONS

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

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

The company paid £5,896 (1998: £14,834) on behalf of M Read in respect of personal expenses. This has been debited to his directors loan account with the company. During the year M Read repaid £11,840 (1998: £nil) to the company.

At the year end there was £1,670 due from M Read (1998: £11,840).