

REG

G READ (FARMS) LIMITED

COMPANY NUMBER: 888427

DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 1998



Bird Luckin

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements of the company for the year ended 30 April 1998.

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 1998	1 May 1997 (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

Date...23.11.98...

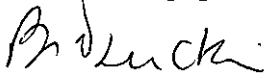
ON THE UNAUDITED FINANCIAL STATEMENTS OF

G READ (FARMS) LIMITED

We report on the financial statements for the year ended 30 April 1998 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 5, 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

Date... 30 June 1998

UNAUDITED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1998

	Note	£	1997 £
TURNOVER	2	132,669	166,744
Cost of sales		(39,637)	(42,119)
GROSS PROFIT		93,032	124,625
Administrative expenses		(88,069)	(103,043)
Other operating income		1,441	493
OPERATING PROFIT		6,404	22,075
Interest receivable and similar income		1,070	1,081
Interest payable and similar charges		(232)	(267)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	7,242	22,889
Tax on profit on ordinary activities	5	(1,850)	(2,455)
PROFIT RETAINED	13	5,392	20,434

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 1998

	Note	£	£	1997 £	£
FIXED ASSETS					
Tangible assets	6		100,094		119,781
CURRENT ASSETS					
Stocks	7	67,982		57,173	
Debtors	8	18,794		35,138	
Cash at bank and in hand		70,018		40,010	
		<u>156,794</u>		<u>132,321</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(30,129)</u>		<u>(25,651)</u>	
NET CURRENT ASSETS			<u>126,665</u>		<u>106,670</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			226,759		226,451
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	-		(5,084)	
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(9,550)</u>		<u>(9,550)</u>	
			<u>(9,550)</u>		<u>(14,634)</u>
			<u>217,209</u>		<u>211,817</u>
CAPITAL AND RESERVES					
Called up share capital	12		10,002		10,002
Profit and loss account	13		207,207		201,815
EQUITY SHAREHOLDERS' FUNDS			<u>217,209</u>		<u>211,817</u>

NOTE TO UNAUDITED BALANCE SHEET

30 APRIL 1998

These financial statements were approved by the board on ..23.11.98.....

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

1. for the year ended 30 April 1998 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 1998 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 1998

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 1998

	£	1997 £
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
After charging:		
Depreciation (note 6):		
Owned assets	18,040	21,597
Assets acquired under finance leases and hire purchase contracts	6,920	8,650
Operating lease rentals:		
Other operating leases	120	120
Finance charges payable - finance lease and hire purchase contracts	232	267
Directors' remuneration (note 4)	22,658	36,046
	<u>22,658</u>	<u>36,046</u>
and after crediting:		
Other receipts including wayleaves	(1,441)	(493)
	<u>(1,441)</u>	<u>(493)</u>
4. DIRECTORS REMUNERATION		
Emoluments	20,550	33,938
Pension contributions	2,108	2,108
	<u>22,658</u>	<u>36,046</u>
The pension contributions made by the company are in respect of defined contribution schemes. (note 14).		
One director was accruing retirement benefits under a defined contribution scheme (note 14).		
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 @ 21% (1997: 21%)	1,850	4,063
Deferred tax current year	-	(1,650)
	<u>1,850</u>	<u>2,413</u>
Prior year:		
Corporation tax	-	42
	<u>1,850</u>	<u>2,455</u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1998

6. TANGIBLE FIXED ASSETS

	Property improvement £	Grain dryer £	Motor vehicles £	Combines, tractors & implements £	Total
COST					
1 May 1997	23,192	35,616	27,527	246,145	332,480
Additions	-	-	-	6,172	6,172
Disposals	-	-	-	(6,520)	(6,520)
30 April 1998	23,192	35,616	27,527	245,797	332,132
DEPRECIATION					
1 May 1997	23,192	32,596	19,043	137,868	212,699
Charge	-	378	2,122	22,460	24,960
Disposals	-	-	-	(5,621)	(5,621)
30 April 1998	23,192	32,974	21,165	154,707	232,038
NET BOOK AMOUNT					
30 APRIL 1998	-	2,642	6,362	91,090	100,094
30 APRIL 1997	-	3,020	8,484	108,277	119,781
Finance leases and hire purchase contracts included in the above net book amounts:					
30 April 1998	-	-	-	27,680	27,680
30 April 1997	-	-	-	34,600	34,600

7. STOCKS

	1997 £	£
Harvested crops	15,110	1,665
Tillages	49,396	53,319
Sundry stocks	3,476	2,189
	67,982	57,173

8. DEBTORS

Trade debtors	6,954	31,910
Other debtors	-	2,958
Prepayments	-	270
Directors Loans - M J Read	11,840	-
	18,794	35,138

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 1998

	£	1997 £
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	4,279	5,092
Corporation tax	1,850	4,063
Other taxes and social security costs	7,970	7,154
Obligations under finance leases and hire purchase contracts (note 10)	5,084	5,083
Accruals and deferred income	10,946	4,047
Directors loans	-	212
	<u>30,129</u>	<u>25,651</u>
10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Obligations under finance leases and hire purchase contracts (note 10.1)	-	5,084
	<u>-</u>	<u>5,084</u>
10.1 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>-</u>	<u>5,084</u>
The amount repayable within one year of £ 5,084 (1997: £ 5,083) is shown in note 9.		
11. PROVISIONS FOR LIABILITIES AND CHARGES DEFERRED TAXATION		
Comprising timing differences at 21% (1997: 21%) on:		
Depreciation	9,550	9,550
	<u>9,550</u>	<u>9,550</u>
12. SHARE CAPITAL		
Authorised:		
20,000 (1997: 20,000) ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid:		
10,002 (1997: 10,002) ordinary shares of £1 each	<u>10,002</u>	<u>10,002</u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
30 APRIL 1998

	£	1997 £
13. PROFIT AND LOSS ACCOUNT		
1 May 1997	201,815	181,381
Profit retained	5,392	20,434
	<hr/>	<hr/>
30 April 1998	207,207	201,815
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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 (1997: £ 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	5,392	20,434
Opening equity shareholders' funds	211,817	191,383
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Closing equity shareholders' funds	217,209	211,817
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16. ULTIMATE CONTROLLING PARTY

MJ Read is the controlling party of the company.

17. 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 £14,834 (1997: £11,476) on behalf of M Read in respect of personal expenses. This has been debited to his directors loan account with the company.

At the year end there was £11,840 due from M Read (1997: £212 due to M Read).