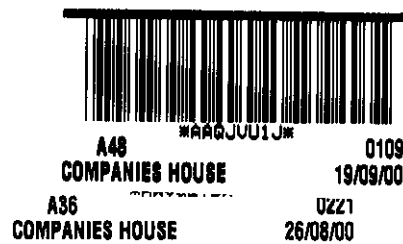


HUTTON WANDESLEY FARMS COMPANY

REPORT AND ACCOUNTS  
for the period ended  
31 October 1999



Horwath Pulleyn Heselton  
Chartered Accountants  
54 Bootham  
York  
YO30 7XZ

HUTTON WANDESLEY FARMS COMPANY

BOARD OF DIRECTORS: Mrs P. R. York  
E. C. York  
Mrs S. A. York

COMPANY SECRETARY: Mrs P. R. York

REGISTERED OFFICE: 54 Bootham  
York  
YO30 7XZ

COMPANY NUMBER: 902281

TRADING ADDRESS: The Estate Office  
Long Marston  
York  
YO26 7LL  
  
Telephone: 01904 738755

BANKERS: HSBC  
11 North Street  
Wetherby  
West Yorkshire  
LS22 4NT

SOLICITORS: Withers  
12 Gough Square  
London  
EC4A 3DE

AUDITORS: Horwath Pulleyn Heselton  
Chartered Accountants  
54 Bootham  
York  
YO30 7XZ

HUTTON WANDESLEY FARMS COMPANY

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 OCTOBER 1999

The directors have pleasure in presenting their report and the accounts for the period ended 31 October 1999.

**PRINCIPAL ACTIVITY**

The principal activity of the Company continues to be farming.

**DIRECTORS**

The directors in office throughout the period and their beneficial interest in the issued share capital of the Company were as follows:

	<i>31 October 1999</i>	<i>6 April 1999</i>
Mrs P. R. York	4,250	1,750
E. C. York	-	12,000
Mrs S. A. York	-	-

No rights have been granted, entitling the directors to subscribe for shares in the Company, or any exercised during the year.

**EXEMPTION**

This 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 P. R. York  
*Secretary*

York  
7 August 2000

HUTTON WANDESLEY FARMS COMPANY

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The purpose of this statement is to distinguish the directors' responsibility for the accounts from those of the auditors as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the Company's state of affairs at the end of the year and of its profit or loss for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

HORWATH PULLEYN HESELTON

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
HUTTON WANDESLEY FARMS COMPANY

We have audited the financial accounts on pages 4 to 11 which have been prepared under the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the Company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

**OPINION**

In our opinion the financial accounts give a true and fair view of the state of the Company's affairs as at 31 October 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



York

7 August 2000

Horwath Pulleyn Heselton  
Chartered Accountants and  
Registered Auditors

HUTTON WANDESLEY FARMS COMPANY

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 OCTOBER 1999

	Notes	7 months ended 31 October 1999 £	12 months ended 5 April 1999 £
TURNOVER	2	396,815	966,513
Cost of sales		206,543	469,677
GROSS PROFIT		190,272	496,836
Distribution costs		14,039	24,957
Administrative expenses		55,188	277,267
Other operating expenses		181,785	292,875
		251,012	595,099
		(60,740)	(98,263)
Other operating income		6,651	2,088
OPERATING LOSS	3	(54,089)	(96,175)
Income from investments		11,574	17,849
Interest payable		6,630	17,999
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,145)	(96,325)
Tax on loss on ordinary activities		(2,771)	(3,102)
LOSS FOR THE PERIOD/YEAR	13	£ (46,374)	£ (93,223)

*The notes on pages 6 to 11 form part of these accounts.*

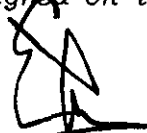
HUTTON WANDESLEY FARMS COMPANY

BALANCE SHEET  
31 OCTOBER 1999

	Notes	31 October 1999 £	5 April 1999 £
<b>FIXED ASSETS</b>			
Tangible assets	4	507,584	549,777
<b>CURRENT ASSETS</b>			
Stocks		272,710	250,214
Debtors	5	179,581	374,666
Cash at bank and in hand		815	533
		<u>453,106</u>	<u>625,413</u>
<b>CREDITORS: amounts falling due within one year</b>	6	<u>369,341</u>	<u>539,896</u>
<b>NET CURRENT ASSETS</b>		<u>83,765</u>	<u>85,517</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		591,349	635,294
<b>CREDITORS: amounts falling due after more than one year</b>	7	5,200	-
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	10	28,524	31,295
<b>NET ASSETS</b>		<u>£ 557,625</u>	<u>£ 603,999</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	35,000	35,000
Profit and loss account	12	522,625	568,999
<b>SHAREHOLDERS' FUNDS</b>		<u>£ 557,625</u>	<u>£ 603,999</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and The Financial Reporting Standard for Smaller Entities (effective March 1999).

Approved by the Board on 7 August 2000  
and signed on its behalf by:



E. C. York  
Director

York

The notes on pages 6 to 11 form part of these accounts.

**HUTTON WANDESLEY FARMS COMPANY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 1999**

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The accounts have been prepared under the historical cost convention and in accordance with:

- i) the Financial Reporting Standards for Smaller Entities (effective March 1999); and
- ii) the special provisions of Part VII of the Companies Act 1985 relating to smaller companies.

**b) Depreciation**

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold properties	- at 10% reducing balance
Plant and equipment	- at 20% reducing balance
Motor vehicles	- at 25% reducing balance

Payments on account and the cost of assets in course of construction are not depreciated until the asset is brought into use.

**c) Leased Assets**

Where the Company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where the terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to legal title. Rentals payable under operating leases are charged to the profit and loss account as incurred.

**d) Stocks and Work-in-Progress**

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Cost is determined on a 'first in, first out' basis and in the case of work-in-progress and finished goods includes all direct expenditure and production and other overheads, based on normal levels of activity, incurred in bringing products to their present location and condition. Costs of certain long-term contracts within work-in-progress include an appropriate proportion of the attributable profit less payments on account.

**e) Deferred Taxation**

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that the liabilities or assets will crystallise. Advance corporation tax is carried forward to the extent that it is expected to be recovered. Timing differences are taxable items, allowances or reliefs which are given effect to in taxation periods different from those in which they have effect in the accounts. They comprise mainly accelerated tax depreciation allowances and short term timing differences less unrecovered advance corporation tax payments.

**f) Government Subsidies**

Amounts received from the government in respect of agricultural subsidies are recorded in the profit and loss account in the period in which the subsidy relates.

**g) Pension Schemes**

Payments to the pension schemes for employees and to a directors money purchase Retirement Benefit Scheme are charged to the profit and loss account in the period to which they relate.

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 OCTOBER 1999

2. TURNOVER

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets. Turnover arose wholly within the United Kingdom.

Included in turnover is £149,146 (5 April 1999 £144,997) representing government subsidies. The majority of this is land set aside from farming and is expected to replace the profits which would have been generated had the land been farmed.

	31 October 1999 £	5 April 1999 £
3. OPERATING LOSS		
This is stated after charging/(crediting):		
Finance lease and hire purchase charges	15	-
Operating lease rentals	1,336	-
Auditors' remuneration	2,750	4,988
Other fees paid to auditors	1,513	3,256
Depreciation	47,626	90,982
Directors' emoluments	2,141	158,330
Profit on sale of assets	(1,083)	(50)

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 OCTOBER 1999

**4. TANGIBLE FIXED ASSETS**

	<i>Land and Buildings £</i>	<i>Plant and machinery etc £</i>	<i>Total £</i>
Cost or valuation:			
6 April 1999	558,324	713,968	1,272,292
Additions at cost	-	15,600	15,600
Disposals at cost	-	(21,389)	(21,389)
	<hr/>	<hr/>	<hr/>
31 October 1999	558,324	708,179	1,266,503
Depreciation:			
6 April 1999	329,264	393,251	722,515
Disposals	-	(11,222)	(11,222)
Provision for period	7,024	40,602	47,626
	<hr/>	<hr/>	<hr/>
31 October 1999	336,288	422,631	758,919
Net book values:			
31 October 1999	<u>£ 222,036</u>	<u>£ 285,548</u>	<u>£ 507,584</u>
5 April 1999	<u>£ 229,060</u>	<u>£ 320,717</u>	<u>£ 549,777</u>

Assets with net book values amounting to £15,600 after charging depreciation of £Nil during the period were held under hire purchase agreements at 31 October 1999 (5 April 1999 £Nil).

	<i>31 October 1999 £</i>	<i>5 April 1999 £</i>
<b>5. DEBTORS</b>		
Trade debtors	32,188	101,775
Other debtors	147,393	272,891
	<hr/>	<hr/>
	£ 179,581	£ 374,666
	<hr/>	<hr/>
<b>6. CREDITORS: amounts falling due within one year</b>		
Bank loans and overdrafts	148,225	292,621
Trade creditors	100,934	85,210
Other creditors	113,705	116,091
Social security and other taxes	6,477	45,974
	<hr/>	<hr/>
	£ 369,341	£ 539,896
	<hr/>	<hr/>
<b>7. CREDITORS: amounts falling due after more than one year</b>		
Other creditors	<u>£ 5,200</u>	<u>£ -</u>

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 OCTOBER 1999

**8. HIRE PURCHASE AGREEMENTS**

Hire purchase agreements are secured. Details of future payments under these agreements are as follows:

	<i>31 October 1999</i> £	<i>5 April 1999</i> £
Due within one year	5,480	-
Due within the second to fifth years	5,480	-
Due after more than five years	-	-
	<hr/> 10,960	<hr/> -
<u>Less:</u> Finance charges allocated to future years	(822)	-
	<hr/> <u>£ 10,138</u>	<hr/> <u>£ -</u>

**9. OTHER FINANCIAL COMMITMENTS**

The Company has operating lease commitments, other than in respect of land and buildings, which expires between one and five years inclusive amounting to £1,781 (5 April 1999 £Nil).

**10. DEFERRED TAXATION**

Deferred taxation provided in the accounts, and the total potential liability including the amounts for which provision has been made, is as follows:

	<i>31 October 1999</i>		<i>5 April 1999</i>	
	<i>Full potential liability £</i>	<i>Provided in accounts £</i>	<i>Full potential liability £</i>	<i>Provided in accounts £</i>
Timing differences arising from:				
Accelerated tax depreciation allowances	£ 28,524	£ 28,524	£ 31,295	£ 31,295
	<hr/> <u>£ 28,524</u>	<hr/> <u>£ 28,524</u>	<hr/> <u>£ 31,295</u>	<hr/> <u>£ 31,295</u>

**Movement in the provision**

	£
Provision at 6 April 1999	31,295
Transfer from profit and loss account	(2,771)
	<hr/> <u>£ 28,524</u>
Provision at 31 October 1999	<hr/> <u>£ 28,524</u>

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 OCTOBER 1999

	<i>31 October 1999</i> £	<i>5 April 1999</i> £
<b>11. CALLED UP SHARE CAPITAL</b>		
Authorised:		
Ordinary shares of £1 each	£ 35,000	£ 35,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	£ 35,000	£ 35,000
	<hr/>	<hr/>
<b>12. PROFIT AND LOSS ACCOUNT</b>	£	
6 April 1999	568,999	
Retained Loss for the period	(46,374)	
	<hr/>	
31 October 1999	£ 522,625	
	<hr/>	

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 OCTOBER 1999

13. TRANSACTIONS WITH DIRECTORS

The land known as Hutton Wandesley Farm is cultivated jointly by Hutton Wandesley Farms Company and E. and S. York Farms. E. C. and S. A. York are partners in E. and S. York Farms and directors of the Company. Most costs and revenues are apportioned between the two entities on an acreage basis, according to land owned or rented by each. There is a management fee receivable in the Company's profit and loss account of £9,175 (5 April 1999 £17,527) in respect of items not dealt with on an acreage basis. At the period end E. and S. York Farms owed £31,126 (5 April 1999 - £Nil) to the the Company.

E. C. and S. A. York are also partners in Hutton Stud which owed the Company £37 (5 April 1999 £299) at the period end, for costs charged between the Company and the partnership.

During the period the Company paid rent of £7,350 (5 April 1999 - £22,050) to the York Grandchildrens Trust, of which E. C. York is trustee. Rent of £6,400 was also paid to E. C. York 1997 Settlement of which E. C. York is a trustee, (5 April 1999 - £19,198).

At 31 October 1999 the following amounts were owed by the Company:

	<i>31 October 1999</i>	<i>5 April 1999</i>
	<i>£</i>	<i>£</i>
York Grandchildrens Trust	2,867	1,315
E. C. York Fund	7,206	7,497
E. C. York Estate	7,846	-
E. C. York 1997 Settlement	1,741	-

E. C. York is a trustee of York Grandchildrens Trust the E. C. York 1997 Settlement and E. C. York Estate, and is a life tenant and trustee of E. C. York Fund.

At the period end the balances on E. C. York's and S. A. York's loan accounts with the Company were £25,583 and £35,685 (5 April 1999 £26,651 and £37,285) respectively, owing to E. C. York and S. A. York.