

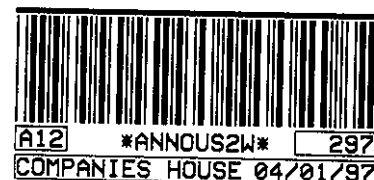
HUTTON WANDESLEY FARMS COMPANY

REPORT AND ACCOUNTS

for the year ended

5 April 1996

Pulleyn Heselton
Chartered Accountants
54 Bootham
York
YO3 7BZ



HUTTON WANDESLEY FARMS COMPANY

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

COMPANY SECRETARY: Mrs. P. R. York

REGISTERED OFFICE: 54 Bootham
York
Y03 7BZ

COMPANY NUMBER: 902281

TRADING ADDRESS: The Estate Office
Long Marston
York
Y05 8LL

Telephone: (01904) 738755

BANKERS: Midland Bank plc
11 North Street
Wetherby
West Yorkshire
LS22 4NT

SOLICITORS: Withers
12 Gough Square
London
EC4A 3DE

AUDITORS: Pulleyn Heselton
Chartered Accountants
54 Bootham
York
Y03 7BZ

HUTTON WANDESLEY FARMS COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 5 APRIL 1996

The directors have pleasure in presenting their report and the accounts for the year ended 5 April 1996.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be farming.

DIRECTORS

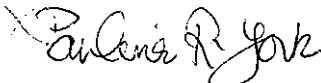
The directors in office throughout the year and their beneficial interests in the issued share capital of the Company were as follows:

| | 5 April 1996 | 6 April 1995 |
|-----------------|--------------|--------------|
| C. York | 14,000 | 14,000 |
| Mrs. P. R. York | 5,500 | 5,500 |
| E. C. York | 12,000 | 12,000 |

EXEMPTION

In preparing this report, the Board has taken advantage of special exemptions available to small companies.

By Order of the Board,



Mrs. P. R. York
Secretary

York
18 December 1996

HUTTON WANDESLEY FARMS COMPANY

STATEMENT OF DIRECTORS' 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 them to ensure that the accounts 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 or other irregularities.

PULLEYN HESELTON

Chartered Accountants

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
HUTTON WANDESLEY FARMS COMPANY**

We have audited the accounts on pages 4 to 9 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 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 the information in the accounts.

UNQUALIFIED OPINION

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 5 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



PULLEYN HESELTON
Chartered Accountants
and Registered Auditors

York

18 December 1996

HUTTON WANDESLEY FARMS COMPANY

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 1996

| | Notes | 1996 | | 1995 | |
|--|-------|---------|-----------|---------|-----------|
| | | £ | £ | £ | £ |
| TURNOVER | 2 | | 706,338 | | 716,794 |
| Cost of sales | | | 169,514 | | 178,911 |
| GROSS PROFIT | | | 536,824 | | 537,883 |
| Distribution costs | | 34,698 | | 23,172 | |
| Administrative expenses | | 106,209 | | 89,009 | |
| Other operating expenses | | 218,981 | | 232,905 | |
| | | | 359,888 | | 345,086 |
| | | | 176,936 | | 192,797 |
| Other operating income | | | 18,926 | | 2,793 |
| OPERATING PROFIT | 3 | | 195,862 | | 195,590 |
| Income from investments | | | 21,160 | | 5,666 |
| Interest payable | | | - | | 1,949 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | 217,022 | | 199,307 |
| Tax on profit on ordinary activities | | | 52,975 | | 50,139 |
| RETAINED PROFIT FOR THE YEAR | 10 | | £ 164,047 | | £ 149,168 |

The profit and loss account contains all the gains and losses recognised in the current and preceding year, and the profit retained for these years represents the only movement in shareholders' funds.

The notes on pages 6 to 9 form part of these accounts.

HUTTON WANDESLEY FARMS COMPANY

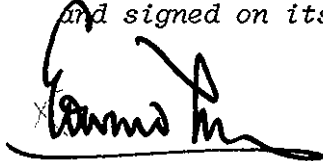
BALANCE SHEET
5 APRIL 1996

| | Notes | 1996 | 1995 |
|---|-------|------------------|------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 4 | 313,772 | 260,774 |
| CURRENT ASSETS | | | |
| Stocks | | 273,711 | 188,354 |
| Debtors | 5 | 140,124 | 116,859 |
| Cash at bank and in hand | | 178,829 | 214,582 |
| | | <u>592,664</u> | <u>519,795</u> |
| CREDITORS: amounts falling due within one year | 6 | <u>191,321</u> | <u>231,531</u> |
| NET CURRENT ASSETS | | <u>401,343</u> | <u>288,264</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 715,115 | 549,038 |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | |
| Deferred taxation | 8 | 34,171 | 32,141 |
| NET ASSETS | | <u>£ 680,944</u> | <u>£ 516,897</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 35,000 | 35,000 |
| Profit and loss account | 10 | 645,944 | 481,897 |
| SHAREHOLDERS' FUNDS | | <u>£ 680,944</u> | <u>£ 516,897</u> |

In preparing these accounts, the Board has taken advantage of special exemptions available to small companies on the grounds that the Company qualifies as small for the year ended 5 April 1996.

Approved by the Board on 18 December 1996

and signed on its behalf by:



E. C. York
Director

York

The notes on pages 6 to 9 form part of these accounts.

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 1996

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The directors have taken advantage of certain exemptions available to small companies under the Companies Act 1985, on the grounds that the Company qualifies as a small company.

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 growing crops and harvested produce includes all direct expenditure and production and other overheads, based on normal levels of activity, incurred in bringing the crops to their present location and condition.

e) Government Subsidies

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

f) 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.

g) Pension Schemes

Payments to pension schemes for employees are charged in the profit and loss account in the year to which the contributions relate.

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 1996

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 £199,486 (1995 - £149,104) representing government subsidies. The majority of this is for land set aside from farming and is expected to replace the profits which would have been generated had the land been farmed.

| | 1996 £ | 1995 £ |
|--------------------------------------|-------------------|-------------------|
| 3. OPERATING PROFIT | | |
| This is stated after charging: | | |
| Auditors' remuneration | 2,500 | 2,800 |
| Depreciation, adjusted for disposals | 39,094 | 55,671 |
| Directors' emoluments | 35,477 | 12,504 |
| Pension premiums paid | 1,312 | 1,327 |
| | <u> </u> | <u> </u> |

4. TANGIBLE FIXED ASSETS

| | <i>Land and Buildings</i> £ | <i>Plant and Machinery etc</i> £ | <i>Total</i> £ |
|--------------------------|------------------------------------|---|-------------------|
| Cost or valuation: | | | |
| 6 April 1995 | 372,230 | 596,411 | 968,641 |
| Additions at cost | 5,249 | 132,408 | 137,657 |
| Disposals | - | (223,125) | (223,125) |
| | <u> </u> | <u> </u> | <u> </u> |
| 5 April 1996 | 377,479 | 505,694 | 883,173 |
| Depreciation: | | | |
| 6 April 1995 | 304,271 | 403,596 | 707,867 |
| Provision for year | 7,120 | 63,754 | 70,874 |
| Adjustment for disposals | - | (209,340) | (209,340) |
| | <u> </u> | <u> </u> | <u> </u> |
| 5 April 1996 | 311,391 | 258,010 | 569,401 |
| Net book values: | | | |
| 5 April 1996 | <u>£ 66,088</u> | <u>£ 247,684</u> | <u>£ 313,772</u> |
| 5 April 1995 | <u>£ 67,959</u> | <u>£ 192,815</u> | <u>£ 260,774</u> |

Assets with net book values amounting to £59,921 (1995 - £60,040) after charging depreciation of £16,579 (1995 - £15,010) during the year were held under hire purchase agreements at 5 April 1996.

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 1996

| | 1996 £ | 1995 £ |
|-------------------|------------------|------------------|
| 5. DEBTORS | | |
| Trade debtors | 12,200 | 56,693 |
| Other debtors | 127,924 | 60,166 |
| | <u>£ 140,124</u> | <u>£ 116,859</u> |

6. CREDITORS: amounts falling due within one year

| | | |
|-----------------|------------------|------------------|
| Trade creditors | 61,791 | 98,681 |
| Other creditors | 129,530 | 132,850 |
| | <u>£ 191,321</u> | <u>£ 231,531</u> |

7. HIRE PURCHASE AGREEMENTS

Hire purchase agreements are secured by the retention of title to the relevant assets.

Details of future payments due under these agreements are as follows:

| | | |
|---------------------|-----------------|-----------------|
| Due within one year | <u>£ 16,625</u> | <u>£ 16,333</u> |
|---------------------|-----------------|-----------------|

8. 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:

| | 1996 | | 1995 | |
|--|---|---------------------------------------|---|---------------------------------------|
| | <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 | <u>£ 34,171</u> | <u>£ 34,171</u> | <u>£ 32,141</u> | <u>£ 32,141</u> |

Movement in the provision

| | £ |
|---------------------------------------|-----------------|
| Provision at 6 April 1995 | 32,141 |
| Transfer from profit and loss account | 2,030 |
| Provision at 5 April 1996 | <u>£ 34,171</u> |

HUTTON WANDESLEY FARMS COMPANY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 1996

| | 1996 £ | 1995 £ |
|-------------------------------------|-------------------|-------------------|
| 9. CALLED UP SHARE CAPITAL | | |
| Authorised: | | |
| Ordinary shares of £1 each | £ 35,000 | £ 35,000 |
| | <u> </u> | <u> </u> |
| Allotted, called up and fully paid: | | |
| Ordinary shares of £1 each | £ 35,000 | £ 35,000 |
| | <u> </u> | <u> </u> |

10. PROFIT AND LOSS ACCOUNT

| | |
|------------------------------|-------------------|
| 6 April 1995 | 481,897 |
| Retained Profit for the year | 164,047 |
| | <u> </u> |
| 5 April 1996 | £ 645,944 |
| | <u> </u> |

11. TRANSACTIONS WITH DIRECTORS

The land known as Hutton Wandesley Farms is cultivated jointly by Hutton Wandesley Farms Company and E. & S. York Farms. E. C. York is a partner in E. & S. York Farms and a director of this company. Most costs and revenues are apportioned between the two entities on an acreage basis, according to the land owned or rented by each. There is a management fee receivable in the Company's profit and loss account of £7,687 in respect of items not dealt with on an acreage basis.

During the year the Company has paid rent of £10,850 to the York Grandchildren's Trust, of which E. C. York is trustee. Annual rent of £26,300 is payable to the E. C. York Fund, of which E. C. York is life tenant and trustee, but payment of this rent was waived for the year to 5 April 1996.