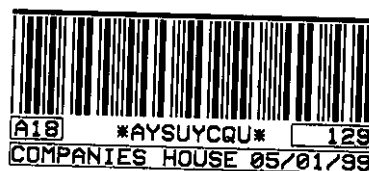


Registered No. 3329977
England and Wales

PILGRIMS FARMING COMPANY LIMITED

STATEMENT OF ACCOUNTS

5th APRIL 1998



FLETCHER & PARTNERS

CHARTERED ACCOUNTANTS

SALISBURY

PILGRIMS FARMING COMPANY LIMITED

Directors	:	R. B. Gruzelier Mrs. S. J. Gruzelier
Secretary	:	R. B. Gruzelier
Registered Number	:	3329977 England and Wales
Registered Office	:	Narrow Quay House Narrow Quay Bristol BS1 4AH
Accountants	:	Fletcher & Partners Chartered Accountants Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ

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The following pages do not form part of the
Statutory Accounts

6.	Detailed Profit and Loss Account
7.	Report of the Accountants

PILGRIMS FARMING COMPANY LIMITEDREPORT OF THE DIRECTORS

The directors submit their report with the accounts of the company for the period ended 5th April 1998.

PRINCIPAL ACTIVITY

The company was incorporated on 7th March 1997 and began trading on the 28th May 1997. The principal activity of the company is that of farming.

DIRECTORS

The directors in office during the period and their beneficial interests in the company's issued ordinary share capital were as follows :-

	<u>5th April 1998</u>	<u>7th March 1997</u>
R. B. Gruzelier	1,650,001 *	-
Mrs. S. J. Gruzelier	1 *	-
NQH Limited (resigned 28th May 1997)	-	1

* At date of appointment on 28th May 1997

DIRECTORS RESPONSIBILITIES

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

select suitable accounting policies and apply them consistently;
make judgements and estimates that are reasonable and prudent;
follow applicable accounting standards, subject to any material
departures disclosed and explained in the accounts;
prepare the accounts on the going concern basis unless it is
inappropriate to presume 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 and other irregularities.

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

Signed on behalf of the board

X *R. B. G.*

Director

Approved by the board:

X 31-12-98

PILGRIMS FARMING COMPANY LIMITEDPROFIT AND LOSS ACCOUNT7TH MARCH 1997 TO 5TH APRIL 1998Notes

Turnover	1	-
Change in stocks		37402.61
Other operating income		<u>9674.00</u>
		47076.61
Raw Materials and consumables		24892.61
Other external charges		14707.50
Other operating charges		<u>6407.79</u>
		(46007.90)
OPERATING PROFIT		1068.71
Other interest receivable and similar income		<u>6132.03</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7200.74
Taxation	2	(1663.62)
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u><u>£5537.12</u></u>

CONTINUING OPERATIONS

The company's activities commenced on 28th May 1997 and the purchase of farming property was completed on 1st October 1997. The figures for the period derive from the commencement of activities and acquisition referred to above.

The notes on pages 4 to 5 form part of these accounts

PILGRIMS FARMING COMPANY LIMITEDBALANCE SHEETAS AT 5th APRIL 1998

	<u>Notes</u>		
FIXED ASSETS			
Tangible assets	3		1482028.75
CURRENT ASSETS			
Stock at valuation	1	37402.61	
Debtors	4	13872.88	
Cash at bank		<u>173490.41</u>	
		224765.90	
CREDITORS :			
Amounts falling due within one year	5	<u>51255.53</u>	
NET CURRENT ASSETS			<u>173510.37</u>
NET ASSETS			<u><u>£1655539.12</u></u>
CAPITAL AND RESERVES			
Called up share capital	6		1650002.00
Profit and loss account			<u>5537.12</u>
			<u><u>£1655539.12</u></u>

For the financial period ended 5th April 1998, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985, and no notice has been deposited under Section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial period in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

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

Signed on behalf of the board

.....*R. F. G.*.....

Director

Approved by the board:

31-12-98

The notes on pages 4 to 5 form part of these accounts

PILGRIMS FARMING COMPANY LIMITED

NOTES TO THE ACCOUNTS

AS AT 5th APRIL 1998

1. ACCOUNTING POLICIES

a. Basis of accounting

The accounts have been prepared under the historical cost convention.

b. Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

c. Tangible Fixed Assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life :

Freehold land	- Nil
Farm buildings	- 4% straight line basis

d. Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

2. TAXATION

1998

Corporation tax payable at 21%

£1663.62

PILGRIMS FARMING COMPANY LIMITEDNOTES TO THE ACCOUNTSAS AT 5th APRIL 1998 (CONTINUED)

3. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings
COST	
Additions in period	1482028.75
Disposals in period	-
At 5th April 1998	<u>£1482028.75</u>
DEPRECIATION	
Charge in period	-
Disposals in period	-
At 5th April 1998	<u>£ -</u>
NET BOOK VALUE	
At 5th April 1998	<u>£1482028.75</u>
Future capital commitments - Contracted but not provided for	: £126523
- Authorised but not contracted for	: £ -

4. DEBTORS

	1998
Other debtors	<u>£13872.88</u>

5. CREDITORS

	1998
Amounts falling due within one year	
Bank overdraft	27101.22
Trade creditors	20630.62
Corporation tax	1663.62
Other creditors	1860.07
	<u>£51255.53</u>

6. SHARE CAPITAL

	1998
Authorised, Ordinary shares of £1 each	<u>£5000000.00</u>
Called up, Issued and Fully Paid Ordinary shares of £1 each	<u>£1650002.00</u>

During the period the subscribers share was transferred and made fully paid up. In addition allotments were made of 1 ordinary share, 1.5 million ordinary shares and 150,000 ordinary shares. All the shares were fully paid for cash at par (£1 per share) and the funds were used to enable the company to purchase a farming property and provide working capital.