

The Manydown Company Limited
Annual report
for the year ended 31 March 2005



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Directors' report for the year ended 31 March 2005

The directors present their report and the audited financial statements for the year ended 31 March 2005.

Principal activity

The principal activities of the company continue to be farming and estate management.

Review of business and future developments

The profit and loss account for the year is set out on page 4.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will continue in the future.

Dividends

The directors have declared and paid interim preference dividends of £40,764 in respect of the year ended 31 March 2005 (2004: £40,764). The directors do not recommend the payment of a final dividend.

Market value of land and buildings

The directors are of the opinion that the current market value of the freehold property owned by the company is substantially in excess of the book value shown in these financial statements. The directors feel that without a professional valuation, they are unable to quantify the difference between book value and the market value, but the cost of carrying out the valuation exceeds the benefit of providing such information.

Directors and their interests

The directors who have held office during the year are given below:

C A J Oliver-Bellasis	(Chairman)
H R Oliver-Bellasis	
Mrs D P Oliver-Bellasis	
Mrs J E Oliver-Bellasis	(Company secretary)
R M Stirling	

Beneficial interests

C A J Oliver-Bellasis holds 20,000 'B' ordinary shares of £1 each (2004: 20,000) and also 100 'F' preference shares of £1 each (2004: 100)
H R Oliver-Bellasis holds 20,000 'B' ordinary shares of £1 each (2004: 20,000) and also 100 'D' preference shares of £1 each (2004: 100)
Mrs D P Oliver-Bellasis holds 100 'G' preference shares of £1 each (2004: 100)
Mrs J E Oliver-Bellasis holds 100 'E' preference shares of £1 each (2004: 100)

Non beneficial interest as trustees

C A J Oliver-Bellasis holds 52,500 'C' ordinary shares of £1 each (2004: 52,500)
H R Oliver-Bellasis holds 52,500 'C' ordinary shares of £1 each (2004: 52,500)

Trustee share interests

At 31 March 2004, R P G Voremberg, a partner in Wilsons, solicitors to the company was a non-beneficial trustee of trusts which, in aggregate, hold 155,000 'B' ordinary shares of £1 each in the company and 105,000 'C' ordinary shares of £1 each in the company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



Mrs J E Oliver-Bellasis
Company Secretary

Independent auditors' report to the members of The Manydown Company Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit 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 statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 statements 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 statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading:

9th September 2005

Profit and loss account for the year ended 31 March 2005

	Notes	2005 £	2004 £
Turnover	2	2,185,531	2,137,798
Cost of sales		(864,758)	(683,925)
Gross profit		1,320,773	1,453,873
Administrative expenses		(1,565,390)	(1,421,327)
Operating (loss)/profit		(244,617)	32,546
Interest receivable and similar income	3	193,442	304,870
(Loss)/profit before interest payable		(51,175)	337,416
Interest payable and similar charges	6	(88,440)	(87,483)
(Loss)/profit on ordinary activities before taxation	7	(139,615)	249,933
Tax credit/(charge) on (loss)/profit on ordinary activities	8	29,070	(48,349)
(Loss)/profit for the financial year		(110,545)	201,584
Dividends (including dividends in respect of non-equity shares)	9	(40,764)	(40,764)
(Loss)/retained profit for the financial year		(151,309)	160,820
Statement of retained profits			
Retained profits at 1 April		2,658,505	2,497,685
(Loss)/profit for the financial year		(151,309)	160,820
Retained profits at 31 March		2,507,196	2,658,505

The above results are derived entirely from continuing activities.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

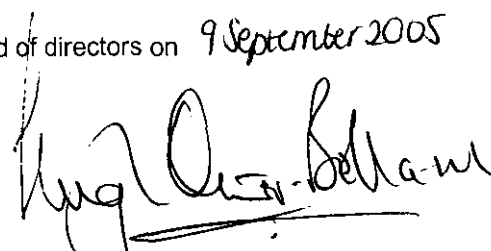
There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/retained profit for the years stated above, and their historical cost equivalents.

Balance sheet at 31 March 2005

	Notes	2005 £	2004 £
Fixed assets			
Intangible assets	10	2,400	2,400
Tangible assets	11	1,823,850	1,839,506
Investments	12	150,100	150,100
		1,976,350	1,992,006
Current assets			
Stocks	13	494,806	514,268
Debtors	14	303,147	278,765
Investments	15	1,180,145	1,327,330
Cash at bank and in hand		20,950	39,886
		1,999,048	2,160,249
Creditors: amounts falling due within one year	16	(442,280)	(493,815)
Net current assets		1,556,768	1,666,434
Total assets less current liabilities		3,533,118	3,658,440
Creditors: amounts falling due after more than one year	17	(725,522)	(699,535)
Net assets		2,807,596	2,958,905
Capital and reserves			
Called-up share capital	19	300,400	300,400
Profit and loss account		2,507,196	2,658,505
Equity shareholders' funds		2,807,196	2,958,505
Non-equity shareholders' fund		400	400
Total shareholders' funds	20	2,807,596	2,958,905

The financial statements on pages 4 to 16 were approved by the board of directors on 9 September 2005 and were signed on its behalf by:


C A J Oliver-Bellasis
Director


H R Oliver-Bellasis
Director

1 Notes to the financial statements for the year ended 31 March 2005

Principal accounting policies

These financial statements have been prepared on the going concern business, under the historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting Standards. The principal accounting policies are set out below.

Basis of accounting

The financial statements contain information about The Manydown Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare group accounts as the group it heads qualifies as a small sized group.

Financial Reporting Standard 8

FRS 8, 'Related Party Disclosures', requires the disclosure of the details of material transactions between the reporting entity and any related parties (see notes 22 and 23).

Tangible fixed assets

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold improvements	2 ½ % and 15%
Machinery, implements and vehicles	20% and 33 1/3%

No depreciation has been provided on freehold land and buildings, as this comprises mostly freehold land. Had depreciation been provided on these assets the amount would not have been material.

Stocks

Stocks, which are valued by professionally qualified independent farm valuers, are stated at the lower cost and net realisable value. The cost of crops, produce in store and livestock is determined by cost of production. The cost of purchased fertilisers, sprays, seeds, feed, oil and stores is based on purchase price. Cultivations are calculated by reference to Central Association of Agricultural Valuers statistics.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied, together with Arable Area Payments and similar payments receivable under the European Union Common Agricultural Policy.

Deferred taxation

Provision is made for deferred taxation, using the full provision method, on all material timing differences. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future.

Pension scheme

The company operates 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 amounted to £17,289 (2004 £17,021) for the year.

The company provides no other post retirement benefits to employees.

Finance and operating leases

Where fixed assets are financed by leasing and hire purchase agreements which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright. The assets are included in tangible fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases or hire purchase. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit on a straight line basis.

Assets held under finance leases are depreciated over the shorter of the lease terms or hire purchase agreement and the useful lives of equivalent owned assets. Assets held under hire purchase agreements are depreciated over their estimated economic lives.

Operating leases

The operating lease rentals are charged to operating profit as incurred over their estimated useful economic lives.

Investment income

Income from current asset investments is included, together with any related tax credit, in the profit and loss account.

Cash flow

The company has taken advantage of the exemptions afforded to small sized companies under Financial Reporting Standard 1 (Revised), "Cash Flow Statements" not to include a cash flow statement. Accordingly, a cash flow statement is not included within these financial statements.

2 Turnover

Turnover consists solely of the management of a farming estate within the United Kingdom.

3 Interest receivable and similar income

	2005 £	2004 £
Interest from loans to subsidiary undertakings	33,009	33,402
Income from current asset investments	26,149	31,503
Realised profit on sale of investments and unrealised profit on value of portfolio	132,640	235,717
Bank and other interest receivable	1,644	4,248
	193,442	304,870

4 Directors' emoluments

	2005 £	2004 £
Aggregate emoluments	196,512	193,284
Company pension contributions to money purchase schemes	5,498	5,419
	202,010	198,703

Retirement benefits under a defined contribution pension scheme are accruing to three directors (2004: three).

5 Employee information

The average monthly number of persons (including executive directors) employed during the year was:

	2005 Number	2004 Number
By activity		
Directors	5	6
Management	2	2
Farm and estate	26	25
	33	33
Staff costs (for the above persons):	£	£
Wages and salaries	645,433	619,107
Social security costs	60,763	57,921
Other pension costs	17,289	17,021
	723,485	694,049

6 Interest payable and similar charges

	2005	2004
	£	£
On bank loans	75,750	75,750
On finance leases	1,483	4,747
On hire purchase contracts	11,207	6,986
	88,440	87,483

7 (Loss) / profit on ordinary activities before taxation

	2005	2004
	£	£
(Loss)/profit on ordinary activities before taxation is stated after crediting/(charging):		
Revenue payments receivable under the European Union Common Agricultural Policy	298,391	314,228
Profit on disposal of tangible fixed assets	45,250	190,863
Rent receivable	535,986	509,151
Depreciation charge for the year:		
Tangible owned fixed assets	(154,284)	(120,055)
Tangible fixed assets held under finance leases and hire purchase contracts	(54,087)	(71,789)
Auditors' remuneration for audit	(22,500)	(21,100)
Amounts written off investments in group companies	(25,276)	(16,003)
Hire of other assets – operating leases	(110,000)	(110,000)

8 Tax (credit) / charge on (loss) / profit on ordinary activities

	2005 £	2004 £
Current tax		
UK Corporation tax charge for the year	-	29,070
Adjustment in respect of previous years	(29,070)	19,279
Tax (credit) / charge on (loss) / profit on ordinary activities	(29,070)	48,349

The tax assessed for the year is less than / greater than the small companies rate of corporation tax in the UK (19%) (2004: 19%). The differences are explained below:

	2005 £	2004 £
(Loss) / profit on ordinary activities before tax	(139,615)	249,933
(Loss) / profit on ordinary activities multiplied by companies rate in the UK (19%) (2004: 19%)	(26,527)	47,487
Effects of:		
Expenses not deductible for tax purposes	(38,563)	10,280
Accelerated capital allowances & other timing differences	65,090	(28,697)
Prior year adjustments	(29,070)	19,279
Current tax (credit) / charge	(29,070)	48,349

The Inland Revenue have challenged the availability of losses arising in prior periods. Upon advice the directors are of the opinion that it is unlikely that a material liability will arise in respect of this issue and accordingly no provision has been made for any potential additional tax charge.

9 Dividends

	2005 £	2004 £
Dividends on non-equity shares:		
Interim preference dividends paid:		
D shares - £60.12 per share (2004: £60.12)	6,012	6,012
E shares - £149.92 per share (2004: £149.92)	14,992	14,992
F shares - £47.68 per share (2004: £47.68)	4,768	4,768
G shares - £149.92 per share (2004: £149.92)	14,992	14,992
	40,764	40,764

10 Intangible assets

	Suckler cow quota £	Total £
Cost		
At 1 April 2004 and 31 March 2005	2,400	2,400
Net book value		
At 31 March 2005 and 31 March 2004	2,400	2,400

11 Tangible fixed assets

	Freehold land and buildings £	Freehold improvement s £	Machinery, implements & vehicles £	Beef herd £	Total £
Cost					
At 1 April 2004	511,264	1,502,809	1,613,540	167,148	3,794,761
Additions	-	30,825	161,890	-	192,715
Disposals	-	-	(104,365)	-	(104,365)
At 31 March 2005	511,264	1,533,634	1,671,065	167,148	3,883,111
Depreciation					
At 1 April 2004	-	764,269	1,190,986	-	1,955,255
Charge for year	-	35,884	172,487	-	208,371
Disposals	-	-	(104,365)	-	(104,365)
At 31 March 2005	-	800,153	1,259,108	-	2,059,261
Net book value					
At 31 March 2005	511,264	733,481	411,957	167,148	1,823,850
At 31 March 2004	511,264	738,540	422,554	167,148	1,839,506

The net book value of tangible fixed assets includes £nil (2004: £nil) in respect of assets held under finance leases and £229,930 (2004: £222,703) in respect of assets held under hire purchase contracts.

12 Fixed asset investments

	2005 £	2004 £
Shares in group undertakings	100	100
Other fixed asset investments	150,000	150,000
	150,100	150,100

Interests in group undertakings

Details of the subsidiary undertakings are as follows:

Name of company	Description of shares held	Proportion of nominal value of shares held %
Manydown Properties Limited	Ordinary £1 shares	100
Downsite Limited	Ordinary £1 shares	100
Halls Farm Management Company Limited	Ordinary £1 shares	100

All the above companies are registered in England and Wales. Downsite Limited and Halls Farm Management Company Limited are wholly owned by Manydown Properties Limited.

Manydown Properties Limited's principal activity is that of property dealing. Manydown Properties Limited reported a loss of £53,163 for the year ended 31 March 2005 (2004: loss of £12,078). At 31 March 2005 Manydown Properties Limited had a deficit on aggregate capital and reserves of £290,391 (2004: deficit of £237,228).

Downsite Limited's principal activity is that of property dealing, but the company remained dormant throughout the year ended 31 March 2005. At 31 March 2005, Downsite Limited had aggregate capital and reserves of £67 (2004: £67).

Halls Farm Management Company Limited's principal activity is that of property management but the company has not traded since incorporation. At 31 March 2005, Halls Farm Management Company Limited had aggregate capital and reserves of £2 (2004: £2).

The balance due from Manydown Properties Limited has been provided for in part (see note 14).

Other fixed asset investments includes £150,000 invested in United Pharmaceuticals Limited in return for 500 ordinary shares, of 10p each. This generates an interest in the company of 4.9%, which is non-controlling. Hugh Oliver-Bellasis, who is a director and shareholder of The Manydown Company Limited is also a director of United Pharmaceuticals Limited.

13 Stocks

	2005 £	2004 £
Livestock	111,914	95,694
Deadstock	343,842	371,484
Sundry stocks	39,050	47,090
	494,806	514,268

14 Debtors

	2005 £	2004 £
Amounts falling due within one year		
Trade debtors	125,748	73,585
Other debtors	28,479	36,159
Amounts due by group companies:		
Manydown Properties Limited	356,628	323,619
Less: provision for irrecoverable amounts	(262,404)	(237,128)
Prepayments and accrued income	54,696	82,530
	303,147	278,765

15 Current asset investments

The current asset investments are stated at the lower of cost or net realisable value.

Listed securities originally costing £1,020,927 (2004: £1,213,056), with a market value of £1,008,730 (2004: £1,085,778) are included in the current asset investments of £1,180,145 (2004: £1,327,330).

16 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank overdraft	32,611	51,833
Trade creditors	179,865	200,405
Obligations under finance leases	-	11,400
Obligations under hire purchase contracts	62,309	65,516
Corporation tax	-	29,070
Other creditors	51,636	45,191
Accruals and deferred income	115,859	90,400
	442,280	493,815

17 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Long term loan (secured)	650,000	650,000
Obligations under hire purchase contracts	75,522	49,535
	725,522	699,535

The long term loan is the aggregate of £250,000 and £400,000 which are subject to fixed rates of interest of 10.95% and 12% per annum respectively. £250,000 is repayable in full in 2014 and £400,000 is repayable in full in 2022. The loan is secured on the freehold land known as Whitedown Farm, comprising approximately 360 acres. Repayment of £200,000 of the loan is being financed by an endowment insurance policy, the annual cost of which is being expensed. No adjustment is made for the accruing benefits under the policy which will be recognised on maturity.

The net finance lease and hire purchase obligations to which the company is committed are:

	2005 £	2004 £
In one year or less	62,309	76,916
Between two and five years	75,522	49,535
	137,831	126,451

18 Deferred taxation

Deferred taxation provided in the financial statements and the amount unprovided, are as follows:

	Amount provided		Amount unprovided	
	2005 £	2004 £	2005 £	2005 £
Deferred tax asset/(liability)				
Tax losses carried forward	-	-	240,970	158,894
Accelerated capital allowances	-	-	22,500	(3,359)
	-	-	263,470	155,535

19 Called-up share capital

Authorised:	Ordinary shares of £1 each	
	2005 £	2004 £
'A' shares	300,000	300,000
'B' shares	195,000	195,000
'C' shares	105,000	105,000
	600,000	600,000
	Preference shares of £1 each	
	2005 £	2004 £
'D' shares	100	100
'E' shares	100	100
'F' shares	100	100
'G' shares	100	100
	400	400
Allotted, called-up and fully paid:	Ordinary shares of £1 each	
	2005 £	2004 £
'A' shares	-	-
'B' shares	195,000	195,000
'C' shares	105,000	105,000
	300,000	300,000
	Preference shares of £1 each	
	2005 £	2004 £
'D' shares	100	100
'E' shares	100	100
'F' shares	100	100
'G' shares	100	100
	400	400
Total called-up share capital	300,400	300,400

The preference shares have no fixed rate of dividend, the dividend being determined by the directors for each year and for each class of shares individually. On winding up of the company, the preference shares have the right to receive the nominal amount of capital paid up on each share after the ordinary shares. The holders of preference shares have no right to attend or vote at general meetings of the company.

20 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Opening shareholders' funds	2,958,905	2,798,085
Profit/(loss) for the financial year	(110,545)	201,584
Dividends paid	(40,764)	(40,764)
	2,807,596	2,958,905

21 Other financial commitments

At 31 March 2005, the company had no capital commitments. During the year ended 31 March 1996, the company sold 2,000 acres and entered an agreement to lease back the land for agricultural use for a period of 99 years. Therefore the company is committed to paying rental for this land for the period of the lease. The annual rental is £110,000.

22 Related party transactions

Related party transactions entered into by The Manydown Company Limited are as follows:

CAJ Oliver-Bellasis and HR Oliver-Bellasis are both directors of the subsidiary company Manydown Properties Limited. The inter-company balance and its provision are disclosed in note 14. Transactions with the company are for interest payments and the increase in the provision against the debt, amounting to £33,009 (2004: £33,402) and £25,276 (2004: £16,003) respectively.

HR Oliver-Bellasis is a director of, and shareholder in United Farmaceuticals Limited, in which The Manydown Company has an investment holding. During the year sales were made to United Farmaceuticals to the value of £17,460 (2004: £11,579). There was no year end debtor (2004: £nil).

Directors' trustee shareholdings are disclosed in the Directors' Report.

23 Ultimate controlling party

The company is controlled by the Oliver-Bellasis family interests by virtue of majority shareholdings.