

Company Number: 934015

**AUBOURN FARMING
LIMITED**

REPORT & ACCOUNTS
for the year ended 30 April 1999



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DIRECTORS AND ADVISERS

The following are on the Board of Directors at 29 November 1999:

Sir David Naish (Chairman)
Philip Wynn (Managing Director)
Hugh Coghill
Christopher Nevile

REGISTERED NUMBER

934015

REGISTERED OFFICE

20 Grosvenor Hill, Berkeley Square, London W1X 0HQ

ADVISERS

Auditors
Streets & Co, Tower House, Lucy Tower Street, Lincoln LN1 1XW

Solicitors
Ashurst Morris Crisp, Broadwalk House, 5 Appold Street, London EC2A 2HA

Principal Bankers
National Westminster Bank Plc, Smiths Bank Branch, 225 High Street, Lincoln LN2 1AZ

REPORT OF THE DIRECTORS

The Directors present their Report and the Accounts of the Company for the year ended 30 April 1999.

Principal activity

The principal activity of the Company is the provision of agronomy, farm management and business advisory services.

Results & dividends

The loss attributable to shareholders is £148,070 (1998 - profit attributable to shareholders of £3,891). No interim dividend was paid and no final dividend is proposed (1998 - £nil). Turnover is down due to a change in purchasing policy for fertilisers. Income is now on a commissions only basis and title no longer passes to the Company.

Principal developments

During the year the Company continued to offer quality agronomy, farm management and business advisory services. On 30 April 1999 FPD Savills Limited increased its shareholding in the Company from 75% to 85% in return for merging the majority of its UK farming business with the Company, giving the Company the opportunity to develop a national profile.

Directors

The current Directors are shown on page 1. Peter Bennett and Geoffrey van Cutsem resigned as Directors of the Company on 30 April 1999. Interests in the issued share capital of the Company and the parent undertaking held by members of the Board of Directors or their families, at the beginning and end of the year under review, are set out in Note 3(d) to the Accounts on page 11.

Year 2000

We have largely completed a project to ensure that neither performance nor functionality of our business systems is affected by dates prior to, during or after the Year 2000. This process involves:

- Assessing the risk within different areas of our business of a failure of the systems to be Year 2000 compliant.
- Identifying the changes that are required for systems which are not compliant and are due to be retained.
- In cases where systems are due to be replaced, ensuring that the new system is both compliant and is due to be installed well in advance of the calendar year-end.
- Reviewing the possible impact on properties occupied by Group companies or managed on behalf of clients.

The nature of this issue is such that it is not possible to guarantee that no Year 2000 problems will arise. However the Board considers that it is taking all appropriate steps to protect the business in this regard.

The cost of this work is being absorbed within existing business systems budgets and is not separately quantified.

Auditors

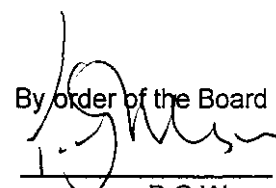
An elective resolution has been passed by the shareholders of the Company to the effect that auditors shall not be re-appointed annually in accordance with Section 386 of the Companies Act 1985.

Registered office:

20 Grosvenor Hill
Berkeley Square
London W1X 0HQ


H M C Coghill

By order of the Board


P G Wynn
29 November 1999

DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Auditors' Report regarding the respective responsibilities of Directors and Auditors set out on page 4, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the Accounts.

Company law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. The Directors consider that in preparing the Accounts the Company has:

- selected appropriate accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts; and
- prepared the Accounts on the going concern basis as it is appropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, STREETS & CO,
TO THE MEMBERS OF AUBOURN FARMING LIMITED

We have audited the Accounts on pages 5 to 16, which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of Directors and Auditors

As described on page 3, 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 information in the Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the affairs of the Company as at 30 April 1999 and of the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Streets & Co
Chartered Accountants
Registered Auditor

PROFIT & LOSS ACCOUNT
year ended 30 April 1999

	Notes	1999 £	1998 £
Turnover	2	989,039	1,295,397
Operating (loss)/profit & (loss)/profit on ordinary activities before taxation	2	(152,292)	6,435
Taxation on (loss)/profit on ordinary activities	6	4,222	(2,544)
(Loss)/Profit on ordinary activities after taxation		(148,070)	3,891
Dividends paid & proposed	7	-	-
(Loss)/Profit for the year transferred to reserves		(148,070)	3,891

Turnover and operating (loss)/profit relate entirely to continuing activities.

There are no recognised gains or losses other than the retained profit for the years shown.

There is no material difference between the results disclosed in the profit & loss account and the results on a historical basis.

The movement on reserves is set out in Note 17 to the Accounts.

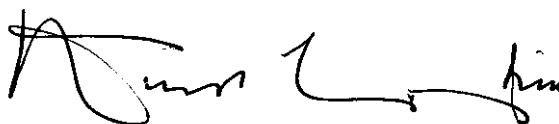
The Notes on pages 9 to 16 form part of the Accounts.

BALANCE SHEET
at 30 April 1999

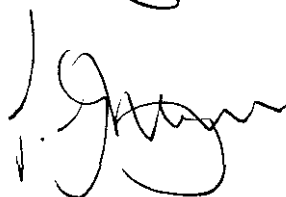
	Notes	1999 £	1998 £
Fixed assets			
Intangible assets	8	29,000	-
Tangible assets	9	265,408	216,872
Investments	10	1	1
		<u>294,409</u>	<u>216,873</u>
Current assets			
Debtors	11	224,839	245,242
Cash at bank & in hand		100	106,382
		<u>224,939</u>	<u>351,624</u>
Creditors - amounts falling due within one year	12	<u>312,839</u>	<u>310,660</u>
Net current (liabilities)/assets		<u>(87,900)</u>	<u>40,964</u>
Total assets less current liabilities		<u>206,509</u>	<u>257,837</u>
Creditors - amounts falling due after more than one year	13	114,826	49,634
Provisions - for liabilities & charges	15	6,589	9,039
Net assets		<u><u>85,094</u></u>	<u><u>199,164</u></u>
Capital & reserves			
Called up equity share capital	16	3,335	2,000
Share premium account		32,665	-
Profit & loss account	17	49,094	197,164
Shareholders' funds - equity		<u><u>85,094</u></u>	<u><u>199,164</u></u>

Approved by the Board of Directors on 29 November 1999 and signed on its behalf by

HUGH COGHILL



PHILIP WYNN



The Notes on pages 9 to 16 form part of the Accounts.

CASH FLOW STATEMENT
year ended 30 April 1999

	Notes	1999	1998
		£	£
Net cash (outflow)/inflow from operating activities	18	(72,054)	180,017
Returns on investments & servicing of finance:			
Interest received	659	11,228	
Interest paid	(15,000)	(7,865)	
Net cash (outflow)/inflow from returns on investment & servicing of finance		(14,341)	3,363
Taxation:			
Net UK corporation tax paid	(84)	(87,098)	
ACT paid	-	(7,500)	
Tax paid		(84)	(94,598)
Capital expenditure & financial investment:			
Purchase of tangible fixed assets	(39,644)	(34,427)	
Sales of tangible fixed assets	18,798	1,565	
Net cash outflow from capital expenditure & financial investment		(20,846)	(32,862)
Equity dividends paid		-	(120,000)
Net cash outflow before use of liquid resources & financing		(107,325)	(64,080)
Financing:			
Capital element of hire purchase & finance lease repayments	(55,168)	(41,120)	
Net cash outflow from financing		(55,168)	(41,120)
(Decrease) in cash for the year	19	<u>(162,493)</u>	<u>(105,200)</u>

The Notes on pages 9 to 16 form part of the Accounts.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
year ended 30 April 1999

	1999 £	1998 £
Retained (loss)/profit for the year	(148,070)	3,891
New share capital subscribed	34,000	-
Net (reduction)/addition in shareholders funds	(114,070)	3,891
Shareholders funds at beginning of year	199,164	195,273
Shareholders' funds at end of year	<u>85,094</u>	<u>199,164</u>

The Notes on pages 9 to 16 form part of the Accounts.

NOTES TO THE ACCOUNTS
year ended 30 April 1999

1. Principal accounting policies

Basis of accounting - The Accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover - Turnover represents amounts receivable for goods and services supplied during the year excluding VAT.

Hire purchase - Assets financed by hire purchase agreements are included in the fixed assets. The liabilities to the hire purchase company are included in creditors. Hire purchase interest is charged to the profit and loss account on a straight line basis.

Fixed assets - Fixed assets are valued at historical cost less provision for depreciation and any permanent diminution in value. As group accounts are not prepared, the Company's share of results in associated companies is shown in the notes to the accounts.

Depreciation - Provision for depreciation is made at rates calculated to write off the cost, less estimated residual value, of tangible fixed assets over their estimated useful lives as follows:

	Years
Motor vehicles	between 4 & 5
Office equipment	between 4 & 10
Equity machinery	between 4 & 10

Deferred taxation - Deferred taxation is provided using the liability method in respect of timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Accounting for leases - Assets financed by leasing agreements which give rights approximating to ownership (finance leases) have been capitalised at amounts equal to the original cost of the assets to the lessors and depreciation has been provided on the basis of the Company's depreciation policy. The capital elements of future obligations under finance leases are included as liabilities in the balance sheet and the current year's interest elements are charged to the profit and loss account. The annual payments under all other lease agreements, known as operating leases, are charged to the profit and loss account on an accruals basis.

Pension costs - Retirement benefits for employees are provided by two defined contribution schemes which are funded by contributions from the Company and its employees. The contributions are determined by an independent qualified actuary and are charged to the profit and loss account in order to spread the cost of pensions over the service lives of employees in the schemes.

2. Operating (loss)/profit	1999 £	1998 £
Turnover	989,039	1,295,397
Depreciation & other amounts written off tangible fixed assets	(63,976)	(50,479)
Other operating charges	(1,077,355)	(1,238,483)
Operating (loss)/profit	<u>(152,292)</u>	<u>6,435</u>

Turnover was derived entirely from the Company's principal activity and arose wholly within the United Kingdom.

NOTES TO THE ACCOUNTS
year ended 30 April 1999

2. Operating (loss)/profit (continued)

	1999 £	1998 £
Operating profit is stated after charging:		
Auditors' remuneration in respect of audit work	3,500	5,450
Auditors' remuneration in respect of non-audit work	3,175	6,000
Directors' remuneration	82,947	62,678
Depreciation of owned assets	32,116	26,131
Depreciation of assets held under finance leases & hire purchase contracts	32,268	22,315
Operating lease rentals - plant	46,351	39,704

3. Staff & Directors
(a) Analysis of staff costs

	1999 £	1998 £
Basic salaries & wages	514,595	448,716
Incentive bonuses & commissions	16,501	7,347
	531,096	456,063
Social security costs	54,103	42,953
Other pension costs	34,164	22,961
	619,363	521,977

(b) Staff numbers

The average number of employees during the year under review was 23 (1998 - 18).

(c) Directors' emoluments

The aggregate emoluments in connection with the management of the Company's affairs (including pension contributions) of the Directors were:

	1999 £	1998 £
Remuneration excluding bonuses	77,441	65,358
Bonuses	3,000	-
Pension contributions	5,630	5,245
	86,071	70,603

The number of Directors for whom benefits were accruing under the defined contribution scheme was one.

NOTES TO THE ACCOUNTS
year ended 30 April 1999

3. Staff & Directors (continued)

(d) Directors' interests

Interests in the share capital of the Company beneficially held by members of the Board of Directors or their families at 30 April 1999 are detailed below:

	At 30 April 1999	At 1 May 1998
'B' ordinary shares		
Christopher Nevile*	-	250
Philip Wynn	250	250
'C' ordinary shares		
Christopher Nevile	250	-

* 250 "B" ordinary shares were converted into 250 "C" ordinary shares on 30 April 1999 (see Note 16).

Interests in the share capital of the ultimate parent undertaking, Savills plc, are detailed in that company's Report and Accounts for Geoffrey van Cutsem, who was a Director of Savills plc at the year-end. Hugh Coghill's interests in the share capital of the ultimate parent undertaking are detailed in the Report and Accounts of FPD Savills Limited, the Company's immediate parent, of which he was a Director at the year-end. Interests of the remaining Directors or their families, which were held beneficially, at 30 April 1999 are detailed below:

	At 30 April 1999	At 1 May 1998
Ordinary shares		
Peter Bennett	30,074	30,074
Christopher Nevile	60,450	60,450
Philip Wynn	142,758	150,758

The mid-market price of Savills plc shares at 30 April 1999 was 163p and the range during the year was 84.5p to 163p.

At 30 April 1999, all of the Directors (except the non-executive Directors, Sir David Naish and Christopher Nevile) were deemed to have an interest (for the purposes of the Companies Act 1985) in 2,712,785 shares held by the Trustee of The Savills plc 1992 Employee Benefit Trust (EBT), representing those shares over which options had not been granted.

4. Pension scheme

The Company operates defined contribution pension schemes for its Directors and employees. The assets of the schemes are held separately from those of the Company in independently administered funds.

NOTES TO THE ACCOUNTS
year ended 30 April 1999

5. Net interest	1999 £	1998 £
Interest receivable	659	11,228
Interest payable on HP & lease agreements	(10,311)	(7,372)
Interest payable – bank	(4,689)	(493)
	<u>(14,341)</u>	<u>3,363</u>

6. Taxation	1999 £	1998 £
UK corporation tax credit/charge based on the profit for the year at 21% (1998 – 21%)	1,772	(1,772)
Deferred taxation	2,450	(772)
	<u>4,222</u>	<u>(2,544)</u>

7. Dividends	1999 £	1998 £
Ordinary proposed final dividend of £nil (net) per share (1998 - £nil (net) per share)	<u>-</u>	<u>-</u>

8. Intangible Assets

Goodwill arising on acquisition on 30 April 1999 was £29,000 (see note 21).

9. Tangible assets	Office equipment £	Motor vehicles £	Equity machinery £	Total £
Cost				
At 1 May 1998	80,244	161,181	74,079	315,504
Additions	19,466	110,136	1,708	131,310
Disposals	(27,988)	(48,601)	-	(76,589)
At 30 April 1999	<u>71,722</u>	<u>222,716</u>	<u>75,787</u>	<u>370,225</u>
Depreciation				
At 1 May 1998	38,341	48,582	11,709	98,632
Charge for the year	11,347	41,154	11,883	64,384
Eliminated on disposal	(27,420)	(30,779)	-	(58,199)
At 30 April 1999	<u>22,268</u>	<u>58,957</u>	<u>23,592</u>	<u>104,817</u>
Net book value				
At 30 April 1999	<u>49,454</u>	<u>163,759</u>	<u>52,195</u>	<u>265,408</u>
At 30 April 1998	<u>41,903</u>	<u>112,599</u>	<u>62,370</u>	<u>216,872</u>

NOTES TO THE ACCOUNTS
year ended 30 April 1999

9. Tangible assets (continued)

The net book value of motor vehicles included £156,573 (1998 - £106,442) and the net book value of equity machinery included £13,875 (1998 - £24,817) in respect of assets held under finance leases and hire purchase agreements.

10. Investments

Ordinary shares of £1 each of Exchequergate Farming Company Limited
(representing 49.8% of the issued share capital of that company):

	£
Cost	498
Reduction in value of investment	(497)
Value at 30 April 1998 & 1999	1

Exchequergate Farming Company Limited is a company registered in England and Wales. The company has not traded during the year under review. The accounts of the company for the year ended 30 September 1999 showed a profit after taxation of £nil. The aggregate share capital and reserves at 30 September 1999 was £nil.

	1999 £	1998 £
11. Debtors		
Trade debtors	72,033	74,758
Amounts owed by parent undertakings	3,026	-
Prepayments & accrued income	100,218	113,444
Other debtors	49,562	57,040
	<u>224,839</u>	<u>245,242</u>

	1999 £	1998 £
12. Creditors - amounts falling due within one year		
Bank overdraft	56,211	-
Trade creditors	17,226	71,487
Corporation tax	-	84
Other taxation & social security	69,814	104,136
Finance lease & hire purchase contracts	57,555	40,841
Other creditors & accruals	108,979	69,818
Amounts owed to parent undertakings	3,054	24,294
Dividends proposed	-	-
	<u>312,839</u>	<u>310,660</u>

NOTES TO THE ACCOUNTS
year ended 30 April 1999

13. Creditors - amounts falling due after one year	1999 £	1998 £
Obligations under finance lease & hire purchase contracts (repayable within five years)	64,826	49,634
Amounts owed to parent undertakings	50,000	-
	<u>114,826</u>	<u>49,634</u>

14. Obligations under hire purchase & finance leases	1999 £	1998 £
Repayable within one year	57,555	40,841
Repayable between one & two years	52,748	31,565
Repayable between two & five years	12,078	18,069
	<u>122,381</u>	<u>90,475</u>

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

15. Provisions - for liabilities & charges

	Provided		Unprovided	
	1999 £	1998 £	1999 £	1998 £
The deferred taxation provision comprised:				
Timing differences	-	-	-	-
Accelerated capital allowances	6,589	9,039	-	-
	<u>6,589</u>	<u>9,039</u>	<u>-</u>	<u>-</u>

16. Share capital	1999 No. shares	1998 No. shares
Authorised, called up, allotted & fully paid:		
'A' ordinary shares of £1 each	2,835	1,500
'B' ordinary shares of £1 each	250	500
'C' ordinary shares of £1 each	250	-
	<u>3,335</u>	<u>2,000</u>

During the year the Company, in pursuance with a special resolution passed on 30 April 1999, issued 1,335 'A' ordinary shares of £1 each in return for FPSavills Limited merging the majority of its UK farming business with the Company. In addition, 250 'B' ordinary shares of £1 each were reclassified as 250 'C' ordinary shares of £1 each.

'A', 'B' and 'C' ordinary shares rank pari passu in most respects save that 'B' and 'C' ordinary shareholders cannot vote upon a resolution to remove from office a Director who had been appointed by 'A' ordinary shareholders and 'A' ordinary shareholders have the right to have a further representative present at a meeting of the Directors.

NOTES TO THE ACCOUNTS
year ended 30 April 1999

17. Profit & loss account	1999 £
At 1 May 1998	197,164
Loss transferred to reserves	(148,070)
At 30 April 1999	<u>49,094</u>

18. Reconciliation of operating profit to net cash inflow from operating activities	1999 £	1998 £
Operating (loss)/profit	(137,951)	3,072
Depreciation charges	64,384	50,479
Decrease in debtors	22,175	124,481
(Decrease)/increase in creditors	(20,662)	1,985
Net cash (outflow)/inflow from operating activities	<u>(72,054)</u>	<u>180,017</u>

19. Reconciliation of net cash flow to movement in net funds	1999 £	1998 £
(Decrease) in cash	(162,493)	(105,200)
Cash outflow from decrease in debt & lease financing	55,168	41,120
New hire purchase & finance leases	(87,074)	(82,393)
	<u>(194,399)</u>	<u>(146,473)</u>
Net funds at beginning of year	15,907	162,380
Net funds at end of year	<u>(178,492)</u>	<u>15,907</u>

20. Analysis of changes in net funds	At 1 May 1998 £	Cash Flows £	Other Changes £	At 30 April 1999 £
Cash at bank & in hand	106,382	(162,493)	-	(56,111)
	106,382	(162,493)	-	(56,111)
Hire purchase & finance leases	(90,475)	55,168	(87,074)	(122,381)
Net funds	<u>15,907</u>	<u>(107,325)</u>	<u>(87,074)</u>	<u>(178,492)</u>

21. Acquisition

On 30 April 1999 the company acquired the majority of the UK farming business of FPD Savills Limited. In return for the business Aubourn Farming Limited issued 1,335 'A' ordinary shares at a premium of £32,665. The assets acquired were made up of fixed assets with a net book value which approximates to fair value of £5,000. Goodwill arising on the acquisition amounts to £29,000 and has been capitalised in accordance with FRS 10.

NOTES TO THE ACCOUNTS
year ended 30 April 1999

22. Related party transactions

Philip Wynn, Managing Director, also manages the estates and farms set out below. Transactions between Aubourn Farming Limited and these businesses and the balances outstanding at 30 April 1999 are shown below. All of the transactions were in the normal course of business and on normal trading terms.

H & J Nevile & Son: This business is owned by Christopher Nevile. The net balance owing to Aubourn Farming Limited at 30 April 1999 was £6,000. Total transactions during the year were as follows:

	£
Management income	79,450
Profit share income	6,000

Wellingore Estates: Lady Nevile is the sole proprietor of this business. Management income during the year amounted to £6,899.

23. Parent undertaking

The smallest and largest groups in turn which the results of Aubourn Farming Limited are consolidated is FPD Savills Limited and Savills plc respectively, both of which are companies registered in England and Wales. Savills plc is also the ultimate parent undertaking of Aubourn Farming Limited.

Copies of the Savills plc group accounts are available from its registered office at 20 Grosvenor Hill, Berkeley Square, London W1X 0HQ.