

English Butter Marketing Company Limited

Registered No. 963152

DIRECTORS

P Allanson-Bailey (Chairman)
J W D Hall (Vice Chairman)
J A Lloyd (Miss)
J R Davenport
T Callahan
R J Newton

SECRETARY

R J Newton

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

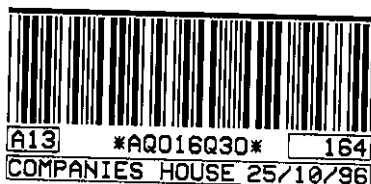
National Westminster Bank PLC
60 High Street
Esher
Surrey KT10 9QY

SOLICITORS

Field Fisher Waterhouse
41 Vine Street
London EC3N 2AA

REGISTERED OFFICE

41 Vine Street
London EC3N 2AA



English Butter Marketing Company Limited

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the company's accounts for the year ended 31 March 1996.

ACTIVITIES

The company's business is to promote the sale of English butter under the "Country Life" brand name, and it is intended that this remains the principal activity of the company.

FIXED ASSETS

The additions to tangible fixed assets during the year arose from the purchase of a new computer.

Details of the company's fixed assets are in note 6 of the accounts.

ACCOUNTS

The results for the year are set out on page 5. There remained a profit of £584 (1995 - £273) which, after deducting taxation, resulted in an increase of £564 in the balance of retained profits.

The directors recommend that no dividend be paid.

DIRECTORS AND THEIR INTERESTS

The directors of the company remain in office until removed or on ceasing to be a director as provided by the Articles of Association. No director has a beneficial interest in the company's shares, and there are no contracts with the company in which a director of the company has any interest, or arrangements between the company and its directors whereby the directors are able to obtain benefits by the acquisition of shares or debentures of the company or any other body corporate.

The directors of the company during the year were as follows:

J W D Hall

P Allanson-Bailey

J R Davenport

J A Lloyd (Miss)

P Glover (resigned 26 January 1996)

R J Newton

T Callahan (appointed 14 March 1996)

The company maintained during the year liability insurance for directors and certain other officers.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board


Secretary

24 September 1996

English Butter Marketing Company Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 of the company 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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.

REPORT OF THE AUDITORS

to the members of English Butter Marketing Company Limited

We have audited the accounts on pages 5 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

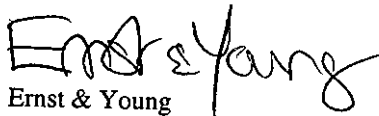
Basis of opinion

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 company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

24 September 1996

English Butter Marketing Company Limited

BALANCE SHEET

at 31 March 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	3,263	1,506
CURRENT ASSETS			
Debtors	7	10,089	54,917
Cash at bank and in hand		23,705	34,073
		33,794	88,990
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	8	33,473	87,476
NET CURRENT ASSETS		321	1,514
TOTAL ASSETS LESS CURRENT LIABILITIES		3,584	3,020
CAPITAL AND RESERVES			
Called up share capital	9	50	50
Profit and loss account		3,534	2,970
		3,584	3,020

RECONCILIATION OF SHAREHOLDERS' FUNDS

	£
At 1 April 1995	3,020
Profit for the year	564
At 31 March 1996	3,584

Approved by the Board of Directors on 24 September 1996

Director

Director

[Signature]
[Signature]
J. W. Drummond Hall

English Butter Marketing Company Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

1. ACCOUNTING POLICIES

Accounting convention

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

Fixed assets

Tangible fixed assets are depreciated evenly over their estimated useful lives. The following rate of annual depreciation calculated on cost is used:

Furniture and equipment – 15%

2. TURNOVER

Turnover represents contributions receivable from members exclusive of value added tax, and is recognised on the basis of the marketing activities of the company.

3. NET OPERATING LOSS is stated after charging

	1996	1995
	£	£
Depreciation of tangible fixed assets	775	662
Auditors' remuneration	2,300	2,000
	<u> </u>	<u> </u>

The directors received no remuneration during the year (1995 – nil).

4. STAFF COSTS

	1996	1995
	£	£
Wages and salaries	25,828	25,117
Social security costs	1,761	1,753
Other pension costs	2,361	2,078
	<u> </u>	<u> </u>
	29,950	28,948

The average number of employees during the year was 1 (1995 – 1).

The employee of the company is a member of a pension scheme operated by one of the shareholders. Payment by the company has been accounted for as if it was the cost of a defined contribution scheme.

5. TAXATION

	1996	1995
	£	£
Based on profit for the year:		
Corporation tax at 24% (1995 – 25%)	20	20
	<u> </u>	<u> </u>

English Butter Marketing Company Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

6. FIXED ASSETS

	<i>Furniture and equipment</i> £
Cost:	
At 1 April 1995	4,719
Additions	2,532
At 31 March 1996	<u>7,251</u>
Depreciation:	
At 1 April 1995	3,213
Charge for the year	775
At 31 March 1996	<u>3,988</u>
Net book value:	
At 31 March 1996	<u>3,263</u>
At 31 March 1995	<u>1,506</u>

7. DEBTORS

	<i>1996</i> £	<i>1995</i> £
Due within one year:		
Trade debtors	8,762	53,310
Other debtors	1,327	1,607
	<u>10,089</u>	<u>54,917</u>

8. CREDITORS: amounts falling due within one year

	<i>1996</i> £	<i>1995</i> £
Trade creditors	4,039	—
Corporate taxation	20	20
Other taxation	111	—
Accruals	5,803	35,456
Contributions received in advance	23,500	52,000
	<u>33,473</u>	<u>87,476</u>

Contributions received in advance from members relate primarily to marketing support activities which are expected to take place within the next twelve months.

9. SHARE CAPITAL

	<i>1996</i> £	<i>Authorised 1995</i> £	<i>Allotted called-up and fully paid 1996</i> £	<i>1995</i> £
Ordinary shares of 1p each	<u>100</u>	<u>100</u>	<u>50</u>	<u>50</u>