

# English Butter Marketing Company Limited

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Registered No. 963152

## **DIRECTORS**

J A Lloyd (Miss) (Chairman)  
P Allanson-Bailey (Vice Chairman)  
J W D Hall  
R E Trott  
T Callanan  
R J Newton

## **SECRETARY**

R J Newton

## **AUDITORS**

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

## **BANKERS**

National Westminster Bank PLC  
10 Victoria Road  
Surbiton  
Surrey KT6 4JY

## **SOLICITORS**

Field Fisher Waterhouse  
41 Vine Street  
London EC3N 2AA

## **REGISTERED OFFICE**

41 Vine Street  
London EC3N 2AA

**ERNST & YOUNG**



# English Butter Marketing Company Limited

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## DIRECTORS' REPORT

The directors have pleasure in presenting their report and the company's accounts for the year ended 31 March 1997.

### RESULTS AND DIVIDENDS

The results for the year are set out on page 5. There remained a profit of £168 (1996 – £584) which, after deducting taxation, resulted in an increase of £149 in the balance of retained profits.

The directors recommend that no dividend be paid.

### PRINCIPAL ACTIVITY

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.

### FUTURE DEVELOPMENTS

The license agreement between the member companies expired on 1 April 1997. A new license agreement has been signed for a further 5 years.

### 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:

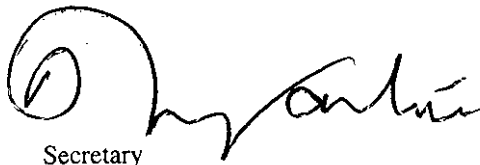
J W D Hall  
P Allanson-Bailey  
J R Davenport (resigned 17 September 1996)  
J A Lloyd (Miss)  
R E Trott (appointed 17 September 1996)  
R J Newton  
T Callanan

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 1997

## English Butter Marketing Company Limited

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### 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 9, 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.

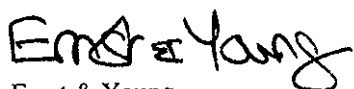
**Basis of opinion**

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 1997 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 1997

# English Butter Marketing Company Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 1997

	<i>Notes</i>	<i>1997 £</i>	<i>1996 £</i>
<b>TURNOVER</b>	2	193,412	186,899
Administrative expenses		194,068	186,941
<b>NET OPERATING LOSS</b>	3	(656)	(42)
Bank deposit interest receivable		824	626
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		168	584
Tax on profit on ordinary activities	5	(19)	(20)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		149	564
<b>STATEMENT OF RETAINED PROFITS</b>			
Balance at 31 March 1996		3,534	2,970
Profit for the year		149	564
Balance at 31 March 1997		3,683	3,534

There are no recognised gains or losses other than those arising in the profit and loss account.

# English Butter Marketing Company Limited

## BALANCE SHEET at 31 March 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	6	2,395	3,263
<b>CURRENT ASSETS</b>			
Debtors	7	42,877	10,089
Cash at bank and in hand		59,844	23,705
		102,721	33,794
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS:</b> amounts falling due within one year	8	101,383	33,473
<b>NET CURRENT ASSETS</b>		1,338	321
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,733	3,584
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	50	50
Profit and loss account		3,683	3,534
		3,733	3,584

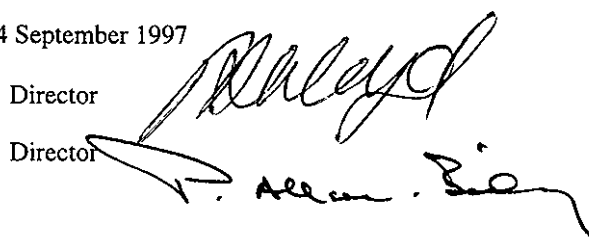
## RECONCILIATION OF SHAREHOLDERS' FUNDS

	£
At 1 April 1996	3,584
Profit for the year	149
At 31 March 1997	3,733

Approved by the Board of Directors on 24 September 1997

Director

Director



# English Butter Marketing Company Limited

## NOTES TO THE ACCOUNTS

at 31 March 1997

### 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%

#### *Government grants*

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### *Related party transactions*

Related party transactions during the year are represented by contributions receivable from members during the year and contributions due and received in advance from members as at the year end.

### 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/(crediting)

	1997 £	1996 £
Depreciation of tangible fixed assets	868	775
Auditors' remuneration	2,300	2,300
Government grants	(15,000)	–
	<u>          </u>	<u>          </u>

The directors received no remuneration during the year (1996 – nil).

### 4. STAFF COSTS

	1997 £	1996 £
Wages and salaries	26,587	25,828
Social security costs	1,813	1,761
Other pension costs	2,431	2,361
	<u>          </u>	<u>          </u>
	30,831	29,950

The average number of employees during the year was 1 (1996 – 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.

# English Butter Marketing Company Limited

## NOTES TO THE ACCOUNTS

at 31 March 1997

### 5. TAXATION

	1997 £	1996 £
Based on profit for the year:		
Corporation tax at 24% (1996 – 25%)	19	20

### 6. FIXED ASSETS

	<i>Furniture and equipment</i> £
Cost:	
At 1 April 1996	7,251
Additions	—
At 31 March 1997	7,251
Depreciation:	
At 1 April 1996	3,988
Charge for the year	868
At 31 March 1997	4,856
Net book value:	
At 31 March 1997	2,395
At 31 March 1996	3,263

### 7. DEBTORS

	1997 £	1996 £
Due within one year:		
Contributions due from members	26,550	8,762
Other debtors	16,327	1,327
	42,877	10,089

### 8. CREDITORS: amounts falling due within one year

	1997 £	1996 £
Contributions received in advance from members	60,750	27,539
Corporate taxation	19	20
Other taxation	6,552	111
Accruals	34,062	5,803
	101,383	33,473

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



# English Butter Marketing Company Limited

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## NOTES TO THE ACCOUNTS

at 31 March 1997

### 9. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted called-up and fully paid</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of 1p each	100	100	50	50
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>