

English Butter Marketing Company Limited

Registered No. 963152

DIRECTORS

B Gooding (Miss) (Chairman)
P Allanson-Bailey (Vice Chairman)
T Callanan
R E Trott
R J Newton
R Tolley

SECRETARY

R J Newton

AUDITORS

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

BANKERS

National Westminster Bank PLC
10 Victoria Road
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

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the company's accounts for the year ended 31 March 1999.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. There remained a profit of £194 (1998 – £317) which, after deducting taxation, resulted in an increase of £158 (1998 – £283) 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.

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:

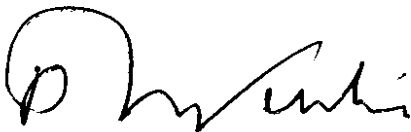
P Allanson-Bailey
T Callanan
B Gooding (Miss)
C Mason (Mrs) (resigned 31 August 1998)
R J Newton
R E Trott
R Tolley (appointed 30 September 1998)

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

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 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.

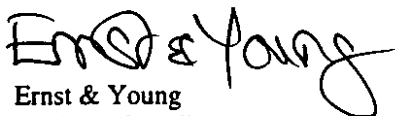
Basis of opinion

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 affairs of the company as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized script.

Ernst & Young
Registered Auditor
London

7 September 1999.

English Butter Marketing Company Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1999

	Notes	1999 £	1998 £
TURNOVER	2	315,125	197,150
Administrative expenses		315,910	197,879
NET OPERATING LOSS	3	(785)	(729)
Bank deposit interest receivable		979	1,046
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		194	317
Tax on profit on ordinary activities	5	(36)	(34)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		158	283
STATEMENT OF RETAINED PROFITS			
Balance at 31 March 1998		3,966	3,683
Profit for the year		158	283
Balance at 31 March 1999		4,124	3,966

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit of £158 in the year ended 31 December 1999 and the profit of £283 in the year ended 31 December 1998.

English Butter Marketing Company Limited

BALANCE SHEET at 31 March 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	6	1,437	1,967
CURRENT ASSETS			
Debtors	7	13,406	81,479
Cash at bank and in hand		15,593	23,890
		28,999	105,369
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	8	26,262	103,320
NET CURRENT ASSETS		2,737	2,049
TOTAL ASSETS LESS CURRENT LIABILITIES		4,174	4,016
CAPITAL AND RESERVES			
Called up share capital	9	50	50
Profit and loss account	10	4,124	3,966
		4,174	4,016

Approved by the Board of Directors on 1 September 1999

Director

Director

English Butter Marketing Company Limited

NOTES TO THE ACCOUNTS

at 31 March 1999

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

This is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets	530	590
Auditors' remuneration	2,000	2,000
	<u> </u>	<u> </u>

The directors received no remuneration during the year (1998 – £nil).

4. STAFF COSTS

	1999 £	1998 £
Wages and salaries	29,625	28,385
Social security costs	2,014	1,935
Other pension costs	2,750	2,626
	<u> </u>	<u> </u>
	34,389	32,946

The average number of employees during the year was 1 (1998 – 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 1999

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
Based on profit for the year:		
Corporation tax at 21% (1998 – 21%)	36	34

6. FIXED ASSETS

	<i>Furniture and equipment</i>	
	£	
Cost:		
At 1 April 1998 and 31 March 1999	7,413	
Depreciation:		
At 1 April 1998	5,446	
Provided during the year	530	
At 31 March 1999	5,976	
Net book value:		
At 31 March 1999	1,437	
At 31 March 1998	1,967	

DEBTORS

	1999	1998
	£	£
Due within one year:		
Contributions due from members	11,605	3,593
Other debtors	1,801	77,886
	13,406	81,479

8. CREDITORS: amounts falling due within one year

	1999	1998
	£	£
Contributions received in advance from members	14,980	92,193
Corporate taxation	39	34
Accruals	11,243	11,093
	26,262	103,320

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

NOTES TO THE ACCOUNTS at 31 March 1999

9. SHARE CAPITAL

	1999	Authorised 1998	Allotted, called up and fully paid 1999	1998
	£	£	£	£
10,000 Ordinary shares of 1p each	100	100	50	50

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 April 1997	50	3,683	3,733
Profit for the year	—	283	283
At 31 March 1998	50	3,966	4,016
Profit for the year	—	158	158
At 31 March 1999	50	4,124	4,174

11. DIRECTORS' EMOLUMENTS

No director received any director's emoluments during the year.

12. CASH FLOW STATEMENT

The company does not prepare a cash flow statement on the grounds that it is a small company.