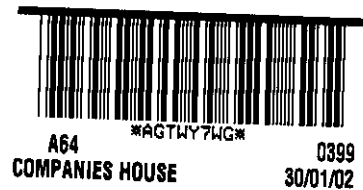


Company Registration No. 1161422 (England and Wales)

AVON TYRRELL FARMS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001



AVON TYRRELL FARMS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | The Lord Manners Hon J H R Manners |
| Secretary | The Lord Manners |
| Company number | 1161422 |
| Registered office | 30 Queen Charlotte Street Bristol Avon BS1 4HE |
| Accountants | Smith & Williamson Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG |
| Business address | Ringwood Road Avon Christchurch Dorset BH23 7BG |
| Bankers | National Westminster Bank plc 11 High Street Ringwood Hampshire BH24 1BA |
| Solicitors | Osborne Clarke 30 Queen Charlotte Street Bristol Avon BS1 4HE |

AVON TYRRELL FARMS LIMITED

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AVON TYRRELL FARMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and financial statements for the year ended 31 March 2001.

Principal activities

The principal activity of the company during the year continued to be that of farming.

Directors

The following directors have held office since 1 April 2000:

The Lord Manners
Hon J H R Manners

Directors' interests

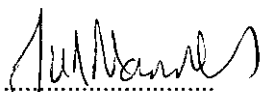
The directors' beneficial interests in the shares of the company were as stated below:

| | Ordinary shares of £ 1 each | |
|-------------------|-----------------------------|--------------|
| | 31 March 2001 | 1 April 2000 |
| The Lord Manners | 10,000 | 10,000 |
| Hon J H R Manners | 10,001 | 10,001 |

The Hon J H R Manners is a trustee of The Lord Manners 1997 No 1 Settlement which holds 19,999 ordinary shares of £1.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board:



Hon J H R Manners
Director

14/1/02

AVON TYRRELL FARMS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF AVON TYRRELL FARMS LIMITED

As described on the balance sheet, you are responsible for the preparation of the accounts for the year ended 31 March 2001 set out on pages 3 to 11 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Smith + Williamson

Smith & Williamson

Chartered Accountants

29.01.02

Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire
SP1 1BG

AVON TYRRELL FARMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

| | Notes | 2001 £ | 2000 £ |
|--|-----------|-----------|-----------|
| Turnover | | 296,399 | 241,530 |
| Cost of sales | | (245,092) | (180,548) |
| Gross profit | | 51,307 | 60,982 |
| Administrative expenses | | (89,085) | (100,882) |
| Other operating income | | 56,897 | 67,150 |
| Operating profit | 2 | 19,119 | 27,250 |
| Investment income | 3 | 715 | 985 |
| Other interest receivable and similar income | | - | 56 |
| Interest payable and similar charges | 4 | (767) | (605) |
| Profit on ordinary activities before taxation | | 19,067 | 27,686 |
| Tax on profit on ordinary activities | 5 | (1,839) | (9,263) |
| Profit on ordinary activities after taxation | 13 | 17,228 | 18,423 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AVON TYRRELL FARMS LIMITED

BALANCE SHEET AS AT 31 MARCH 2001

| | Notes | 2001 £ | £ | 2000 £ | £ |
|--|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Intangible assets | 6 | | 8,862 | | 11,077 |
| Tangible assets | 7 | | 189,664 | | 156,960 |
| Dairy herd | | | 24,645 | | 14,075 |
| | | | <u>223,171</u> | | <u>182,112</u> |
| Current assets | | | | | |
| Stocks | | 103,725 | | 109,708 | |
| Debtors | 8 | 89,049 | | 66,773 | |
| Cash at bank and in hand | | 26,691 | | 31,597 | |
| | | <u>219,465</u> | | <u>208,078</u> | |
| Creditors: amounts falling due within one year | 9 | (98,810) | | (78,678) | |
| Net current assets | | | <u>120,655</u> | | <u>129,400</u> |
| Total assets less current liabilities | | | <u>343,826</u> | | <u>311,512</u> |
| Creditors: amounts falling due after more than one year | 10 | | (20,294) | | (6,699) |
| Provisions for liabilities and charges | 11 | | (11,609) | | (10,118) |
| | | | <u>311,923</u> | | <u>294,695</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 40,000 | | 40,000 |
| Share premium account | 13 | | 1,811 | | 1,811 |
| Profit and loss account | 13 | | 270,112 | | 252,884 |
| Shareholders' funds - equity interests | 14 | | <u>311,923</u> | | <u>294,695</u> |

AVON TYRRELL FARMS LIMITED

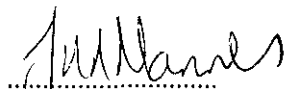
BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2001

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 14/1/02



.....
Hon J H R Manners
Director

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Intangible fixed assets

Acquired milk quota is being amortised at 20% on a reducing balance basis.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

| | |
|---------------------------|----------------------|
| Improvements to buildings | 10% reducing balance |
| Implements | 20% reducing balance |
| Dairy equipment | 20% reducing balance |
| Tractors | 25% reducing balance |
| Office equipment | 20% reducing balance |
| Motor vehicles | 25% reducing balance |

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock

Stocks are valued by a professional valuer and are stated at the lower of cost and net realisable value in accordance with BEN 19.

Crops, produce in store and home produced livestock are valued at cost of production. The value of purchased livestock, fertilisers, sprays, seeds, feed and fuel is based on purchase price. The cost of cultivations have been calculated by the professional valuer.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the foreseeable future.

2 Operating profit

| | 2001 £ | 2000 £ |
|--|-----------|-----------|
| Operating profit is stated after charging: | | |
| Amortisation of intangible assets | 2,215 | 2,769 |
| Depreciation of tangible assets | 32,530 | 32,981 |
| Directors' emoluments | 1,143 | 235 |

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

| | | | |
|----------|--|-------------|-------------------|
| 3 | Investment income | 2001 | 2000 |
| | | £ | £ |
| | Income from fixed asset investments | 715 | 985 |
| | | | |
| 4 | Interest payable | 2001 | 2000 |
| | | £ | £ |
| | Bank interest | 216 | 18 |
| | Hire purchase interest | 551 | 587 |
| | | 767 | 605 |
| | | | |
| 5 | Taxation | 2001 | 2000 |
| | | £ | £ |
| | U.K. current year taxation | | |
| | U.K. corporation tax at 20% (2000 - 20%) | 220 | 5,000 |
| | Deferred taxation | 1,491 | 4,214 |
| | | 1,711 | 9,214 |
| | Prior years | | |
| | U.K. corporation tax | 128 | 49 |
| | | 1,839 | 9,263 |
| | | | |
| 6 | Intangible fixed assets | | Milk quota |
| | | | £ |
| | Cost | | |
| | At 1 April 2000 and at 31 March 2001 | | 43,250 |
| | Amortisation | | |
| | At 1 April 2000 | | 32,173 |
| | Charge for the year | | 2,215 |
| | At 31 March 2001 | | 34,388 |
| | Net book value | | |
| | At 31 March 2001 | | 8,862 |
| | At 31 March 2000 | | 11,077 |

The company holds a total of 737,095 litres of milk quota with a market value at the balance sheet date of £95,232.

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

7 Tangible fixed assets

| | Improve- ments to buildings £ | Implements £ | Tractors £ | Dairy and office equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--|-----------------|---------------|---------------------------------------|------------------------|------------|
| Cost | | | | | | |
| At 1 April 2000 | 137,505 | 210,615 | 87,990 | 33,097 | 24,458 | 493,665 |
| Additions | - | 7,400 | 61,025 | - | 2,700 | 71,125 |
| Disposals | - | (22,402) | (26,000) | - | - | (48,402) |
| At 31 March 2001 | 137,505 | 195,613 | 123,015 | 33,097 | 27,158 | 516,388 |
| Depreciation | | | | | | |
| At 1 April 2000 | 92,343 | 153,629 | 45,452 | 27,739 | 17,542 | 336,705 |
| On disposals | - | (21,396) | (21,115) | - | - | (42,511) |
| Charge for the year | 4,516 | 12,012 | 12,920 | 1,072 | 2,010 | 32,530 |
| At 31 March 2001 | 96,859 | 144,245 | 37,257 | 28,811 | 19,552 | 326,724 |
| Net book value | | | | | | |
| At 31 March 2001 | 40,646 | 51,368 | 85,758 | 4,286 | 7,606 | 189,664 |
| At 31 March 2000 | 45,162 | 56,986 | 42,538 | 5,358 | 6,916 | 156,960 |

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Tractors £ |
|---|---------------|
| Net book values | |
| At 31 March 2001 | 85,476 |
| At 31 March 2000 | 35,992 |
| Depreciation charge for the year | |
| 31 March 2001 | 11,541 |
| 31 March 2000 | 9,561 |

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

| 8 Debtors | 2001 £ | 2000 £ |
|---------------|---------------|---------------|
| Trade debtors | 62,293 | 45,907 |
| Other debtors | 26,756 | 20,866 |
| | <u>89,049</u> | <u>66,773</u> |

Included in other debtors is a loan balance of £18,298 owed by The Lord Manners, a director of the company. £18,298 was the maximum overdrawn amount during the year.

| 9 Creditors: amounts falling due within one year | 2001 £ | 2000 £ |
|--|---------------|---------------|
| Net obligations under hire purchase contracts | 19,254 | 10,423 |
| Trade creditors | 32,354 | 48,305 |
| Taxation and social security | 10,671 | 5,000 |
| Other creditors and accruals | 36,531 | 14,950 |
| | <u>98,810</u> | <u>78,678</u> |

| 10 Creditors: amounts falling due after more than one year | 2001 £ | 2000 £ |
|---|---------------|---------------|
| Net obligations under hire purchase contracts | <u>20,294</u> | <u>6,699</u> |
| Net obligations under hire purchase contracts | | |
| Repayable within one year | 20,922 | 10,975 |
| Repayable between one and five years | 21,903 | 6,758 |
| | <u>42,825</u> | <u>17,733</u> |
| Finance charges and interest allocated to future accounting periods | (3,277) | (611) |
| | <u>39,548</u> | <u>17,122</u> |
| Included in liabilities falling due within one year | (19,254) | (10,423) |
| | <u>20,294</u> | <u>6,699</u> |

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

11 Provisions for liabilities and charges

| | Deferred taxation £ |
|--------------------------|---------------------------|
| Balance at 1 April 2000 | 10,118 |
| Profit and loss account | 1,491 |
| Balance at 31 March 2001 | <u>11,609</u> |

Deferred taxation provided in the financial statements is as follows:

| | 2001 £ | Fully provided 2000 £ |
|--------------------------------|---------------|-----------------------------|
| Accelerated capital allowances | <u>11,609</u> | <u>10,118</u> |

12 Share capital

| | 2001 £ | 2000 £ |
|---|---------------|---------------|
| Authorised | | |
| 50,000 Ordinary shares of £ 1 each | <u>50,000</u> | <u>50,000</u> |
| Allotted, called up and fully paid | | |
| 40,000 Ordinary shares of £ 1 each | <u>40,000</u> | <u>40,000</u> |

13 Statement of movements on reserves

| | Share premium account £ | Profit and loss account £ |
|------------------------------|----------------------------------|---------------------------------|
| Balance at 1 April 2000 | 1,811 | 252,884 |
| Retained profit for the year | - | 17,228 |
| Balance at 31 March 2001 | <u>1,811</u> | <u>270,112</u> |

14 Reconciliation of movements in shareholders' funds

| | 2001 £ | 2000 £ |
|-------------------------------|----------------|----------------|
| Profit for the financial year | 17,228 | 18,423 |
| Opening shareholders' funds | <u>294,695</u> | <u>276,272</u> |
| Closing shareholders' funds | <u>311,923</u> | <u>294,695</u> |

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

15 Control

The ultimate controlling party is The Hon J H R Manners, a director of the company.

16 Related party transactions

The company has transactions with The Lord Manners Avon Tyrrell Estates and The Hon J H R Manners Avon Tyrrell Estates. Both The Lord Manners and The Hon J H R Manners are directors of the company.

The company paid rent to The Lord Manners of £6,306 (2000 £2,102) and repairs of £1,294 (2000 £1,664). Included in cost of sales is the purchase of cattle of £nil (2000 £4,800) from The Lord Manners and sale of seed and fertiliser to The Lord Manners of £220 (2000 £826). The Lord Manners paid the company contracting income of £1,611 (2000 £3,984). The company has helped fund the purchase of a tractor on behalf of The Lord Manners with a loan of £18,298. The Lord Manners owes the company £18,761 (2000 £23,949) at the year end and is owed by the company £nil (2000 £16,218).

The company paid rent of £14,560 (2000 £14,560) and property repairs of £1,243 (2000 £3,246) to The Hon J H R Manners. The Hon J H R Manners is owed £20,000 (2000 £7,280) by the company at the year end, included within other creditors and accruals. The loan is interest-free and has no set repayment date.