

**ELM TREE FARM LIMITED**

**DIRECTORS' REPORT  
AND ACCOUNTS**

**31 MARCH 2005**



## **ELM TREE FARM LIMITED**

### **REPORT OF THE DIRECTORS**

The directors submit their report, together with the accounts of the company for the year ended 31 March 2005.

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

#### **REVIEW OF THE BUSINESS**

The company carries on arable farming operations at Elm Tree Farm, Stoney Houghton and associated lands. No changes in this activity have taken place during the year.

Turnover for the year was £484,356 (2004 - £576,533) and there was an operating loss of £17,127 (2004 - profit of £95,712). In the directors' opinion, the company has again finished the year well equipped to meet the challenges ahead.

#### **RESULTS**

The loss for the year after taxation was £13,011 (2004 – profit of £86,256) as detailed in the profit and loss account. The directors recommend that no dividend should be paid in respect of the year.

## **ELM TREE FARM LIMITED**

### **REPORT OF THE DIRECTORS (continued)**

#### **DIRECTORS AND THEIR INTERESTS**

The following were directors of the company throughout the year ended 31 March 2005:

Duke of Devonshire  
Duchess of Devonshire  
Dowager Duchess of Devonshire  
R B Wardle

None of the directors have an interest in the shares of Elm Tree Farm Limited.

The Dowager Duchess of Devonshire and the Duke and Duchess of Devonshire have an interest in the shares of the holding company in whose Directors' Report those interests are stated.

In accordance with the company's articles of association the Duchess of Devonshire retires by rotation and, being eligible, offers herself for re-election.

#### **HOLDING COMPANY**

The whole of the allotted share capital is held by Chatsworth Holdings Limited, a company in which The Trustees of the Chatsworth Settlement have a 91.55% interest.

#### **FUTURE DEVELOPMENT**

The management and directors keep alternative crops under review in order to achieve a good profit and to meet market demands whilst complying with best agricultural practice. Any good opportunities to extend the company's farming activities will be examined carefully and will be taken up if they are in the company's best interests.

By Order of the Board



R S HILL  
Secretary

Company No: 1206244

11 July 2005

**ELM TREE FARM LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005	2004
<b>TURNOVER</b>		484,356	576,533
Cost of sales		(403,051)	(384,197)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		81,305	192,336
Administrative expenses		(98,432)	(96,624)
		<hr/>	<hr/>
<b>OPERATING (LOSS)/ PROFIT</b>	2	(17,127)	95,712
Interest receivable		6,163	3,947
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(10,964)	99,659
Tax on profit on ordinary activities	3	(2,047)	(13,403)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(13,011)	86,256
Dividend		-	-
		<hr/>	<hr/>
<b>AMOUNT TRANSFERRED (FROM)/TO RESERVES</b>	12	<b>£(13,011)</b>	<b>£86,256</b>
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There were no recognised gains or losses other than the results for the year.

The above results all arose from continuing operations.

**ELM TREE FARM LIMITED**

**BALANCE SHEET AT 31 MARCH 2005**

	Notes	2005	2004
<b>FIXED ASSETS</b>			
Tangible assets	6	245,411	154,276
Investment		15	15
		<u>245,426</u>	<u>154,291</u>
<b>CURRENT ASSETS</b>			
Stocks	7	158,572	187,933
Debtors	8	120,877	147,448
Cash at bank and in hand		231,722	280,704
		<u>511,171</u>	<u>616,085</u>
Creditors (amounts falling due within one year)	9	(207,315)	(221,854)
		<u>303,856</u>	<u>394,231</u>
<b>NET CURRENT ASSETS</b>			
		<u>549,282</u>	<u>548,522</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	10	(19,770)	(5,999)
		<u>£529,512</u>	<u>£542,523</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	72,000	72,000
Profit and loss account	12	457,512	470,523
		<u>£529,512</u>	<u>£542,523</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	13	<u>£529,512</u>	<u>£542,523</u>

**AUDIT EXEMPTION STATEMENT**

For the year ended 31 March 2005 the company was entitled to the exemption under section 249A(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records which comply with section 221; and
- (b) 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 and loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on 11 July 2005 and signed on its behalf by

*R.B. Wardle*

R B WARDLE, Director

## **ELM TREE FARM LIMITED**

### **NOTES TO THE ACCOUNTS - 31 MARCH 2005**

#### **1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**(b) Tangible assets**

Tangible assets are stated at cost. Depreciation is provided by the straight line method so as to reduce assets to their estimated realisable value over their useful lives. The lives attributed to assets are:

	Number of years
Short leasehold buildings	15
Corn drying and storage installation	15
Farm plant and equipment	3 to 10
Tractors, combine harvesters and vehicles	4 to 7

**(c) Stocks**

Crops in store, growing crops and stocks of feed, fertilisers, chemicals and stores are stated at the lower of cost, including direct and indirect production costs, and estimated realisable value.

**(d) Deferred taxation**

Apart from any liability arising from short-term timing differences, deferred taxation is only provided where the deferral is not expected to continue in the foreseeable future.

**(e) Set-aside and arable area payments**

Set-aside and arable area payments are brought into the profit and loss account in the period in which credit is taken for the sale of the related crops.

**(f) Cash flow statement**

The company has taken advantage of the exemption available under FRS1 for small companies and has therefore not included a cash flow statement in the accounts.

**ELM TREE FARM LIMITED****NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)****2 OPERATING PROFIT** **2005** **2004**

is stated after the following amounts:

Staff costs: The average number of persons employed during the year in addition to the directors was 4 (2004 - 4)

Wages and salaries	£118,872	£116,815
Social security costs	£10,701	£10,969
Other pension costs	£1,466	£542
Depreciation	£50,559	£42,176
(Profit) on sale of tangible assets	£(8,124)	£(16,999)
Set aside and arable area payments receivable	£(107,287)	£(106,269)

Staff costs include £49,400 (2004 - £49,400) paid to 4 (2004 - 4) directors in respect of their services to the company.

**3 TAX ON PROFIT ON ORDINARY ACTIVITIES** **2005** **2004**

The charge for taxation for the year is as follows:

UK corporation tax at 19% (2004 - 19%)	(11,724)	17,613
Transfer (from)/to deferred taxation	13,771	(4,225)
Amount payable for group relief	0	15
	<hr/>	<hr/>
	<b>£2,047</b>	<b>£13,403</b>
	<hr/>	<hr/>

The charge to corporation tax in 2004 was reduced by losses transferred from the holding company for a consideration of 100%.

## ELM TREE FARM LIMITED

### NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)

#### 4. HOLDING COMPANY

Chatsworth Holdings Limited, a company registered in England, owned the whole of the company's allotted share capital throughout the year.

The Trustees of the Chatsworth Settlement hold 91.55% of the allotted share capital of Chatsworth Holdings Limited.

The Trustees of the Chatsworth Settlement have guaranteed bank overdraft facilities of the company, should this be required, up to a limit of £45,000.

#### 5. RELATED PARTY TRANSACTIONS

During the year the company entered into various transactions with the Trustees of the Chatsworth Settlement, who, as mentioned in Note 4, hold 91.55% of the allotted share capital of the company's parent company.

The company has sold produce to the Trustees of the Chatsworth Settlement during the year amounting to £16,160 (2004 - £20,645).

The company's farmland is owned by the Trustees of the Chatsworth Settlement and in the year under review the company paid rent amounting to £56,438 (2004 - £56,438).

The Trustees of the Chatsworth Settlement provide management services to Elm Tree Farm Limited and a fee is charged to the company representing the fair value of this service. During the year under review this amounted to £26,500 (2004 - £25,800).

#### 6 TANGIBLE ASSETS

	Short leasehold <u>buildings</u>	Corn drying and storage <u>installation</u>	Tractors, vehicles and <u>implements</u>	<u>Total</u>
<b>COST</b>				
At 1 April 2004	92,077	95,620	530,795	718,492
Additions	0	0	142,695	142,695
Disposals	0	0	(34,026)	(34,026)
<b>At 31 March 2005</b>	<b>92,077</b>	<b>95,620</b>	<b>639,464</b>	<b>827,161</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 April 2004	62,894	95,619	405,703	564,216
Charge for the period	2,200	0	48,359	50,559
Disposals	0	0	(33,025)	(33,025)
<b>At 31 March 2005</b>	<b>65,094</b>	<b>95,619</b>	<b>421,037</b>	<b>581,750</b>
<b>NET BOOK AMOUNT AT</b>				
<b>31 March 2005</b>	<b>£26,983</b>	<b>£1</b>	<b>£218,427</b>	<b>£245,411</b>
<b>31 March 2004</b>	<b>£29,183</b>	<b>£1</b>	<b>£125,092</b>	<b>£154,276</b>



**ELM TREE FARM LIMITED**

**NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)**

<b>7 STOCKS</b>	<b>2005</b>	<b>2004</b>
Raw materials and consumables	44,190	47,293
Work in progress - growing crops	78,850	90,149
Crops in store	35,532	50,491
	<u>£158,572</u>	<u>£187,933</u>
<b>8 DEBTORS</b>	<b>2005</b>	<b>2004</b>
Trade debtors	91,588	71,783
Other debtors	29,289	75,665
	<u>£120,877</u>	<u>£147,448</u>
<b>9 CREDITORS (amounts falling due within one year)</b>	<b>2005</b>	<b>2004</b>
Trade creditors	80,702	82,506
Amount owed to Trustees of the Chatsworth Settlement	70,552	65,154
Amount owed to a group undertaking	0	15
Other creditors	54,134	54,797
Taxation and social security	1,927	19,382
	<u>£207,315</u>	<u>£221,854</u>
<b>10 DEFERRED TAXATION</b>	<b>2004</b>	<b>2004</b>
Balance at 1 April 2004	5,999	10,224
Transfer from/(to) profit and loss account	13,771	(4,225)
Balance at 31 March 2005	<u>£19,770</u>	<u>£5,999</u>

These amounts represent fixed asset related timing differences.

**ELM TREE FARM LIMITED**

**NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)**

<b>11 SHARE CAPITAL</b>	<b>2005</b>	<b>2004</b>
Authorised:		
100,000 ordinary shares of £1 each	<b>£100,000</b>	<b>£100,000</b>
Allotted and fully paid:		
72,000 ordinary shares of £1 each	<b>£72,000</b>	<b>£72,000</b>
<b>12 RESERVES</b>	<b>Profit and Loss Account</b>	
At 1 April 2004	470,523	
Retained (loss) on ordinary activities after taxation	(13,011)	
At 31 March 2005	<b>£457,512</b>	
<b>13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2005</b>	<b>2004</b>
(Loss)/profit for the period	(13,011)	86,256
Opening shareholders' funds	542,523	456,267
Closing shareholders' funds	<b>£529,512</b>	<b>£542,523</b>

**14 COMPANY STATUS**

The company is a close company as defined by the Taxes Acts.