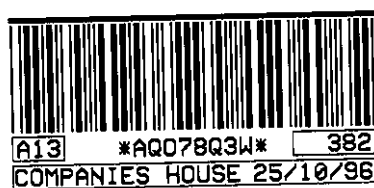


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ELM TREE FARM LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 1996



Price Waterhouse



AUDITORS' REPORT TO THE DIRECTORS OF ELM TREE FARM LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the full accounts of Elm Tree Farm Limited for the nine months ended 31 March 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under Sections 246 to 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the nine months ended 31 March 1996, and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that schedule.

We reported as auditors of Elm Tree Farm Limited, to the members on 3 July 1996 on the company's full financial statements prepared under Section 226 of the Companies Act 1985 for the nine months ended 31 March 1996 and our audit opinion was as follows:

"We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of 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 and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985".

Price Waterhouse

PRICE WATERHOUSE

Chartered Accountants
and Registered Auditors

3 July 1996

Offices at Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, Liverpool, London, Manchester, Middlesbrough, Newcastle, Nottingham, St. Albans, Southampton and Windsor.

The partnership's principal place of business is at Southwark Towers, 32 London Bridge Street, London SE1 9SY where a list of the partners' names is available for inspection.

The firm is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

ELM TREE FARM LIMITED

BALANCE SHEET AT 31 MARCH 1996

	Notes	1996	1995
FIXED ASSETS			
Tangible assets	2	120,736	145,766
Investment		15	15
		<u>120,751</u>	<u>145,781</u>
CURRENT ASSETS			
Stocks		135,164	154,650
Debtors		34,886	12,264
Cash at bank and in hand		341,589	273,827
		<u>511,639</u>	<u>440,741</u>
CREDITORS (amounts falling due within one year)		<u>194,605</u>	<u>155,008</u>
NET CURRENT ASSETS		<u>317,034</u>	<u>285,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£437,785</u></u>	<u><u>£431,514</u></u>
CAPITAL AND RESERVES			
Called up share capital	3	72,000	72,000
Profit and loss account		365,785	359,514
EQUITY SHAREHOLDERS' FUNDS		<u><u>£437,785</u></u>	<u><u>£431,514</u></u>

The directors have relied on Sections 246 to 247 of the Companies Act 1985 as entitling them to deliver abbreviated accounts on the ground that the company is a small company.

Approved by the Board on 3 July 1996

R. B. Wardle

R B Wardle
Director

ELM TREE FARM LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1996

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 less government grants. 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:

	<u>Number of Years</u>
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

Tenantright and stocks of feed, fertilizers, 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.

ELM TREE FARM LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1996 (continued)

2 TANGIBLE ASSETS

COST	Total
At 1 July 1995	574,607
Additions	4,500
Disposals	-
	<hr/>
At 31 March 1996	579,107
	<hr/>
ACCUMULATED DEPRECIATION	
At 1 July 1995	428,841
Charge for the year	29,530
Disposals	-
	<hr/>
At 31 March 1996	458,371
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NET BOOK AMOUNT AT	
31 MARCH 1996	£120,736
	<hr/> <hr/>
30 JUNE 1995	£145,766
	<hr/> <hr/>

3 CALLED UP SHARE CAPITAL

	1996	1995
Authorised:		
100,000 ordinary shares of £1 each	£100,000	£100,000
	<hr/> <hr/>	<hr/> <hr/>
Allotted and fully paid:		
72,000 ordinary shares of £1 each	£72,000	£72,000
	<hr/> <hr/>	<hr/> <hr/>

4 HOLDING COMPANY

Chatsworth Holdings Limited, a company registered in England, is the company's ultimate holding company.