

BELGRAVE FARM LIMITED

Registered No: 2750987

REPORT &
FINANCIAL STATEMENTS

31ST DECEMBER 1997



BELGRAVE FARM LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1997

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BELGRAVE FARM LIMITED

DIRECTORS' REPORT

The directors submit their report together with the financial statements for the year ended 31st December 1997.

1. **RESULTS AND DIVIDENDS**

The profit for the year after tax amounted to £113,650 (1996 - £45,000) and the directors propose that this be transferred to reserves.

The directors do not propose the payment of a dividend.

2. **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company trades in farming assets including produce. It is not expected that the activities of the company will increase during the forthcoming year.

3. **DIRECTORS AND THEIR INTERESTS**

The directors of the Company during the year were:

T J Heywood
J O Hagger

None of the directors held an interest in the share and loan capital of the Company.

4. **AUDITORS**

Allwood Baird Hack have resigned as auditors during the year and Deloitte & Touche were appointed. A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

BELGRAVE FARM LIMITED

DIRECTORS' REPORT

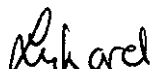
5. **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements 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 financial statements, 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 departure disclosed and explained in the financial statements;
- prepare the financial statements 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 financial statements 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.

By Order of the Board



Mrs S M Lord
Secretary

10 March 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF
BELGRAVE FARM LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants
Registered Auditors

Queen Anne House
69-71 Queen Square
Bristol, BS1 4JP

12 March 1998

BELGRAVE FARM LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

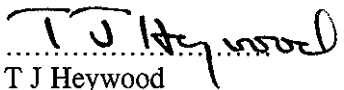
| <u>Results of continuing operations:</u> | <u>Note</u> | <u>1997</u> <u>£000</u> | <u>1996</u> <u>£000</u> |
|---|--------------------|--|--|
| <u>Turnover</u> | | 354 | 284 |
| Cost of sales | | (188) | (190) |
| Gross Profit | | 166 | 94 |
| Administrative expenses | | (2) | - |
| <u>Operating profit</u> | | 164 | 94 |
| Interest payable | 2 | (1) | (23) |
| Interest receivable and similar income | | 3 | 1 |
| <u>Profit on ordinary activities before taxation</u> | | 166 | 72 |
| Taxation | 5 | (52) | (27) |
| <u>Profit on ordinary activities after taxation</u> | | | |
| <u>transferred to reserves</u> | 10 | 114 | 45 |
| <u>Total recognised gains and losses</u> | | | |

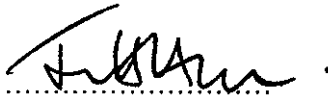
There are no recognised gains or losses other than the profit for the year.

BELGRAVE FARM LIMITED**BALANCE SHEET****31ST DECEMBER 1997**

| | <u>Notes</u> | <u>1997</u> <u>£000</u> | <u>1996</u> <u>£000</u> |
|---|--------------|----------------------------|----------------------------|
| <u>Current Assets</u> | | | |
| Stocks | 6 | 160 | 311 |
| Debtors | 7 | 155 | 21 |
| | | <u>315</u> | <u>332</u> |
| <u>Creditors: Amounts falling due within one year</u> | 8 | (53) | (184) |
| <u>Net Current Assets</u> | | <u>262</u> | <u>148</u> |
| <u>Capital and Reserves</u> | | | |
| Called up share capital | 9 | 1 | 1 |
| Profit and loss account | 10 | 261 | 147 |
| <u>Total Equity Shareholders' Funds</u> | 11 | <u>262</u> | <u>148</u> |

Approved by the Board on ¹⁰ March 1998


 T J Heywood
 Directors


 J O Hagger

BELGRAVE FARM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1997****1. ACCOUNTING POLICIES****(a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act 1985 and applicable accounting standards.

(b) Stocks

Stocks of farming assets are stated at the lower of cost and net realisable value.

(c) Deferred Taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

2. INTEREST PAYABLE

| <u>1997</u> | <u>1996</u> |
|--------------------------------------|--------------------|
| <u>£000</u> | <u>£000</u> |
| On loan from ultimate parent company | |
| 1 | 23 |
| <u>1</u> | <u>23</u> |

3. AVERAGE NUMBER OF EMPLOYEES

| <u>1997</u> | <u>1996</u> |
|---|--------------------|
| | |
| The average number of part-time persons employed by the Company was | |
| Administration | |
| 3 | 3 |
| <u>3</u> | <u>3</u> |

None of the employees received any remuneration during the period from this company.

4. DIRECTORS REMUNERATION

The directors are directors of the parent company, Grosvenor Farms Limited and are also directors of Eaton Park Farms Limited and Belgrave Farm Limited.

The directors received total emoluments of £128,000 (1996 £106,000) from Grosvenor Farms Limited during the year but it is not practicable to allocate this between their services as directors of Grosvenor Farms Limited and their services as directors of Eaton Park Farms limited and Belgrave Farm Limited. In addition both directors are accruing benefits under the Grosvenor Estate Holdings Group schemes in respect of their services to the three Group companies.

5. TAXATION

| <u>1997</u> | <u>1996</u> |
|--|--------------------|
| <u>£000</u> | <u>£000</u> |
| UK Corporation tax at 31.5% (1996:33%) | |
| 52 | 24 |
| Prior year adjustment | |
| - | 3 |
| <u>52</u> | <u>27</u> |

BELGRAVE FARM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1997**

| | | | |
|---|----------------------|--------------------|--------------------|
| 6 | <u>STOCKS</u> | <u>1997</u> | <u>1996</u> |
| | | <u>£000</u> | <u>£000</u> |
| | Goods for resale | 160 | 311 |
| | | <u> </u> | <u> </u> |

The replacement value is not materially different from the above.

| | | | |
|----|------------------------------------|--------------------|--------------------|
| 7. | <u>DEBTORS</u> | <u>1997</u> | <u>1996</u> |
| | | <u>£000</u> | <u>£000</u> |
| | Due within one year: | | |
| | Amounts owed by group undertakings | 155 | 21 |
| | Prepayments | - | - |
| | | <u> </u> | <u> </u> |
| | | 155 | 21 |
| | | <u> </u> | <u> </u> |

| | | | |
|----|--|--------------------|--------------------|
| 8. | <u>CREDITORS: Amounts falling due within one year</u> | <u>1997</u> | <u>1996</u> |
| | | <u>£000</u> | <u>£000</u> |
| | Amounts due to group undertakings | - | 160 |
| | Accruals | 1 | - |
| | UK corporation tax on profits | 52 | 24 |
| | | <u> </u> | <u> </u> |
| | | 53 | 184 |
| | | <u> </u> | <u> </u> |

There were no amounts due to group undertakings at 31st December 1997 (1996 - £160,522 owing to Grosvenor Estate Holdings).

| | |
|----|-----------------------------|
| 9. | <u>SHARE CAPITAL</u> |
|----|-----------------------------|

| | |
|--|-------------------------------------|
| | Authorised |
| | <u>Issued and Fully Paid</u> |

| |
|--|
| 1,000 Ordinary shares of £1 each at 31st December 1996 and 1997 |
|--|

| |
|-------------------|
| £1,000 |
| <u> </u> |

| | |
|-----|---------------------------------------|
| 10. | <u>PROFIT AND LOSS ACCOUNT</u> |
|-----|---------------------------------------|

| | | |
|-------------------------------|--------------------|--------------------|
| | <u>1997</u> | <u>1996</u> |
| | <u>£000</u> | <u>£000</u> |
| Balance at 1st January 1997 | 147 | 102 |
| Profit for the period | 114 | 45 |
| | <u> </u> | <u> </u> |
| Balance at 31st December 1997 | 261 | 147 |
| | <u> </u> | <u> </u> |

BELGRAVE FARM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 1997

11. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

| | <u>1997</u> <u>£000</u> | <u>1996</u> <u>£000</u> |
|-----------------------------|--|--|
| Profit for the period | 114 | 45 |
| Opening shareholders' funds | 148 | 103 |
| Closing shareholders' funds | <u>262</u> | <u>148</u> |

12. **RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Grosvenor Estate Holdings Group companies.

13. **ULTIMATE PARENT COMPANY**

The immediate parent company is Grosvenor Farms Limited. The ultimate parent company is Grosvenor Estate Holdings, an unlimited company registered in England and Wales, and which is wholly owned by trusts and members of the Grosvenor family, headed by the Duke of Westminster. The ultimate parent company heads the largest and smallest group of undertakings of which the company is a member and for which group accounts are prepared.

All companies referred to above are incorporated in Great Britain and registered in England and Wales. The financial statements of those companies can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.