

ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD

7 AUGUST 1996 TO 30 SEPTEMBER 1997

FOR

MARCHAM FARMS LIMITED



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For The Period 7 August 1996 to 30 September 1997

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COMPANY INFORMATION
For The Period 7 August 1996 to 30 September 1997

DIRECTORS: J L Duffield
A D Hudson

SECRETARY: A D Hudson

REGISTERED OFFICE: Phoenix House
Bartholomew Street
Newbury
Berkshire
RG14 5QA

REGISTERED NUMBER: 3237079 (England and Wales)

AUDITORS: James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

MARCHAM FARMS LIMITED

**REPORT OF THE AUDITORS TO
MARCHAM FARMS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the period ended 30 September 1997 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

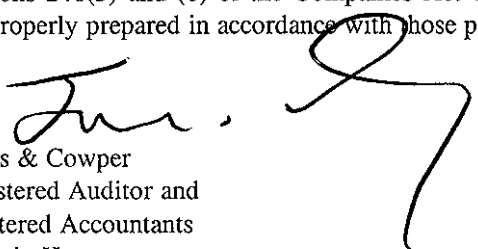
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to six are properly prepared in accordance with those provisions.



James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

Dated: 20.7.1998

MARCHAM FARMS LIMITED

ABBREVIATED BALANCE SHEET
30 September 1997

	Notes	£	£
FIXED ASSETS:			
Intangible assets	2		5,454
Tangible assets	3		1,913,990
			<hr/>
			1,919,444
 CURRENT ASSETS:			
Stocks		334,209	
Debtors		114,566	
Cash at bank and in hand		148,120	
		<hr/>	
		596,895	
 CREDITORS: Amounts falling due within one year		232,776	
		<hr/>	
 NET CURRENT ASSETS:			364,119
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES:			£2,283,563
			<hr/> <hr/>
 CAPITAL AND RESERVES:			
Called up share capital	4		2,500,000
Profit and loss account			(216,437)
			<hr/>
Shareholders' funds			£2,283,563
			<hr/> <hr/>

These abbreviated financial statements have 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:



 J L Duffield - DIRECTOR



 A D Hudson - DIRECTOR

Approved by the Board on 16.7.98

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
For The Period 7 August 1996 to 30 September 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible assets

Ewe premium rights are capitalised at their purchase cost. Provision is made for any diminution in value.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold buildings	- 2% straight line
Plant and machinery	- 20% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

The valuation has been prepared by professional valuers on a basis in accordance with normal farming practice and the Inland Revenue Business Economic Note 19.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. INTANGIBLE FIXED ASSETS

	Total
	£
COST:	
Additions	5,454
At 30 September 1997	5,454
NET BOOK VALUE:	
At 30 September 1997	5,454

MARCHAM FARMS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS For The Period 7 August 1996 to 30 September 1997

3. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
Additions	2,009,496
Disposals	(24,275)
	<hr/>
At 30 September 1997	1,985,221
	<hr/>
DEPRECIATION:	
Charge for period	71,231
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At 30 September 1997	71,231
	<hr/>
NET BOOK VALUE:	
At 30 September 1997	1,913,990
	<hr/> <hr/>

4. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
2,500,000	A Ordinary	1	2,500,000
2,500,000	B Ordinary	1	2,500,000
			<hr/>
			5,000,000
			<hr/> <hr/>
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1,250,000	A Ordinary	1	1,250,000
1,250,000	B Ordinary	1	1,250,000
			<hr/>
			2,500,000
			<hr/> <hr/>

The following shares were allotted and fully paid for cash at par during the period:

1,250,000 A Ordinary shares of 1 each
1,250,000 B Ordinary shares of 1 each

5. ULTIMATE CONTROLLING PARTIES

The controlling parties are the Trustees of the Peasmore Settlement and the Trustees of the Marcham Settlement. J L Duffield, a director, is a Trustee of both of these Settlements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
For The Period 7 August 1996 to 30 September 1997

6. TRANSACTIONS WITH DIRECTORS

During the period the company entered into the following transactions with Mr. J L Duffield, a director of the company.

1. On 30 September 1996 the company purchased the live and dead stock of Rowdown and Sheepstead Farms for £342,562 from Mr. J L Duffield. The purchase was made at the open market value as agreed between Messers Adkin and Messers Simmons & Sons.
2. The company rents land from Mr. J L Duffield. In the period ended 30 September 1997 the charge in the accounts for the rent due on this land was £31,700.
3. The company owes Mr. J L Duffield £6,230.
4. The company rents land from the Trustees of the Peasmore Settlement and the Trustees of the Marcham Settlement. In the period ended 30 September 1997 the charge in the accounts for the rents due on this land were £76,000 and £52,000 respectively.