

Registered Number 3430277

Magyar Farming Company Limited
Abbreviated financial statements
for the year ended 31 December 2004



Magyar Farming Company Limited

Abbreviated financial statements for the year ended 31 December 2004

Contents

Independent auditors' report to the directors of Magyar Farming Company Limited under Section 247B of the Companies Act 1985	1
Balance sheet as at 31 December 2004.....	2
Accounting policies	3
Notes to the financial statements for the year ended 31 December 2004	4

Magyar Farming Company Limited

Independent auditors' report to the directors of Magyar Farming Company Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the annual financial statements of the company for the year ended 31 December 2004.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with those provisions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company's directors for the purpose of Section 247B of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of audit opinion

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Hull

30 September 2005

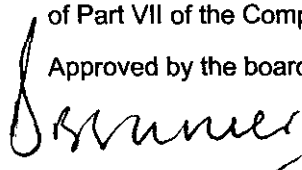
Magyar Farming Company Limited

Balance sheet as at 31 December 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Investments	1		1,318,763		1,199,196
Current assets					
Debtors		1,712,705		340,660	
Cash at bank and in hand		252,594		107,973	
		1,965,299		448,633	
Creditors - amounts falling due within one year		(62,356)		(185,872)	
Net current assets			1,902,943		262,761
Net assets			3,221,706		1,461,957
Capital and reserves					
Called up share capital	2		2,455,137		1,428,000
Share premium account	3		828,348		21,800
Profit and loss reserve	3		(61,779)		12,157
Total equity shareholders' funds			3,221,706		1,461,957

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

Approved by the board of directors on _____ and were signed on its behalf by:



D B Gunner
Director

20TH SEPTEMBER
2005

Magyar Farming Company Limited

Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective June 2002). The principal accounting policies are set out below.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. A deferred tax asset is only recognised on the balance sheet when recovery is more likely than not.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost in the financial statements of the company. Provision against the value of investments is made where, in the opinion of the directors, there is a permanent diminution in the value of the investment.

Magyar Farming Company Limited

Notes to the financial statements for the year ended 31 December 2004

1 Investments

	Shares £	Loan £	Total £
As at 1 January 2004	583,763	615,433	1,199,196
Repaid during the year	-	(615,433)	(615,433)
Share capital subscription	735,000	-	735,000
As at 31 December 2004	1,318,763	-	1,318,763

The company holds 100% of the shares in Kintyre kft, a Hungarian company which was incorporated in Hungary in December 1997. The nature of the business is that of farming. These shares were purchased in December 1997 at par.

During 2002, the shareholders approved and the directors commenced the process of conversion of the loan to share capital. The directors completed the process of conversion on 10 February 2004.

In the opinion of the directors the value of the shares in Kintyre kft are at least equal to their purchase price.

Kintyre kft holds 99.99% of the issued shares in Inicia Rt, a company also registered and incorporated in Hungary.

Kintyre kft

The aggregate of this company's capital reserves at 31 December 2004 was £816,159 (2003 - £431,992) and the audited result for the year to that date was a loss of £381,035 (2003 - profit of £12,062).

The directors are of the opinion that the investment is worth at least the cost of the shares.

Inicia Rt

The aggregate of this company's capital reserves at 31 December 2004 was £2,748,407 (2003 - £2,096,027) and the audited result for the year to that date was a profit of £526,663 (2003 - £65,340).

2 Called up share capital

	2004 £	2003 £
Authorised		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
Allotted and fully paid		
2,455,137 Ordinary shares of £1 each	2,455,137	1,428,000

During the year, 1,005,717 ordinary shares were issued for cash. The nominal value of these shares was £1,005,717 and the consideration received was £1,833,685. A further 21,420 shares with a value of £36,628 were issued in respect of the exercise of share options granted in the previous year in lieu of the payment for services provided to the company.

Magyar Farming Company Limited

3 Reserves

	Share premium account £	Profit and loss reserve £	Total £
As at 1 January 2004	21,800	12,157	33,957
Loss for the financial year	-	(73,936)	(73,936)
Premium on shares issued	806,548	-	806,548
As at 31 December 2004	828,348	(61,779)	766,569