

ETTINGTON (FARMING) LIMITED

Directors report & financial statements
for the year ended

31st March 2004



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ETTINGTON (FARMING) LIMITED

Company Information

Directors	Mrs J.M. Shirley Mr M.F.G. Crowe
Secretary	Mr M.F.G. Crowe
Company Number	13690 (Isle of Man)
Registered Office	8 St. George's Street Douglas Isle of Man IM1 1AH
Auditors	W.J. Thompson & Co Chartered Accountants Royal Trust House 60 - 62 Athol Street Douglas IM1 1JD

ETTINGTON (FARMING) LIMITED

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**Directors' report
For the year ended 31st March 2004**

The directors present their report and the audited financial statements for the year ended 31st March 2004.

Statement of 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;
- 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 Isle of Man Companies Acts 1931 to 2004. 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.

Principal activity

The company's principal activity continues to be that of the business of farming. The company has also entered into a lease and has sub-let on short-term tenancies.

Results and dividends

The results of the company for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year and their beneficial interests in the issued share capital were as follows:

	Number of Shares		
	2004	2003	
Mrs. J.M. Shirley	1	1	
Mr. M.F.G. Crowe	1	1	(non beneficial)

Auditors

The auditors, W.J. Thompson & Co., offer themselves for re-appointment in accordance with Section 12(2) of the Companies Act 1982.

This report was approved by the board on

13 January

2005

By order of the board of directors



M.F.G. Crowe
Secretary

**Independent Auditors' report
To the shareholders of Ettington (Farming) Limited**

We have audited the financial statements of Ettington (Farming) Limited for the year ended 31st March 2004 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with the Isle of Man Companies Acts 1931 to 2004. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable Isle of Man and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' fees and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of the 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.


**Independent Auditors' report, continued
To the shareholders of Ettington (Farming) Limited**

Qualified opinion

In common with many farming operations the company's system of control is dependent upon the close involvement of the directors with their farming agents. As we were unable to obtain independent confirmation we have accepted assurances from the director for the quantities of stock on hand at the year end.

Except for any adjustments that might have been found to be necessary had we been able to physically verify the stock on hand, in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Acts 1931 to 2004.

Royal Trust House
60 - 62 Athol Street
Douglas
IM1 1JD


W.J. Thompson & Co.
Chartered Accountants

Date: 19 January 2005

Profit and loss account
For the year ended 31st March 2004

	Note	2004 £	2003 £
Turnover	1b	104,510	147,910
Cost of sales		(39,586)	(43,266)
Gross profit		64,924	104,644
Operating overheads		89,997	67,017
Audit fees		675	475
Depreciation		2,425	5,278
Tree planting		(339)	(678)
		(92,758)	(72,431)
(Loss)/Profit for the year on ordinary activities		(27,834)	32,213
Rental income		28,265	26,400
Rental costs		(28,265)	(26,400)
		-	-
(Loss)/Profit for the year before taxation		(27,834)	32,213
Taxation	2	-	(5,838)
(Loss)/Profit for the year after taxation		(27,834)	26,375
Retained profit brought forward		111,817	85,442
Retained profit carried forward		83,983	111,817


There were no recognised gains or losses for 2004 or 2003 other than those included in the profit and loss account.


The notes on pages 6 to 9 form part of these financial statements.

Balance sheet As at 31st March 2004

	Note	£	2004 £	2003 £
Fixed assets				
Tangible assets	3		24,505	26,930
Current assets				
Stocks	4	122,072		103,863
Debtors	5	41,110		66,412
Cash at bank		51,072		26,721
		<u>214,254</u>		<u>196,996</u>
Creditors: amounts falling due within one year	6	<u>(154,774)</u>		<u>(112,107)</u>
Net current assets			<u>59,480</u>	<u>84,889</u>
Total assets less current liabilities			<u>83,985</u>	<u>111,819</u>
Capital and reserves				
Called-up share capital	7		2	2
Profit and loss account	8		<u>83,983</u>	<u>111,817</u>
Shareholders' funds	9		<u>83,985</u>	<u>111,819</u>

The financial statements were approved by the board of directors on 13 January 2005 and signed on their behalf by:


Mrs J.M. Shirley
Director


M.F.G. Crowe
Director

The notes on pages 6 to 9 form part of these financial statements.

Notes to the financial statements For the year ended 31st March 2003

1. Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The financial statements have been prepared in accordance with applicable accounting standards in the U.K. and include the results of the company's activities which are described in the Directors' Report.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover

Turnover comprises the total amount, net of value added tax, of farm produce invoiced during the year.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives at the following rates:

Grain store improvement	6.67%	(straight line basis)
Improvements to property	10%	(straight line basis)
Plant and machinery	15%	(reducing balance basis)

d) Stocks

Stocks comprise unsold wheat, rape, beans, barley etc., which have been valued at the lower of cost and net realisable value, together with 2003 harvest costs of seeds, fertilisers and sprays. Cost includes all direct costs after deduction of arable area and set aside payments.

2. Taxation

	2004 £	2003 £
U.K. Corporation tax @ 19%	-	6,631
Prior year adjustment	-	(742)
Interest on tax repayment	-	(51)
	<u>-</u>	<u>5,838</u>

No provision for taxation has been made due to the trading losses arising in the year.

Notes to the financial statements For the year ended 31st March 2004

3. Tangible fixed assets

	Grain store improvement £	Improvements to property £	Plant and machinery £	Total £
Cost				
At 1 st April, 2003	33,747	28,229	22,719	84,695
Additions	-	-	-	-
At 31 st March, 2004	33,747	28,229	22,719	84,695
Depreciation				
At 1 st April, 2003	7,984	28,229	21,552	57,765
Charge for year	2,250	-	175	2,425
At 31 st March, 2004	10,234	28,229	21,727	60,190
Net book value				
At 31 st March, 2004	23,513	-	992	24,505
At 31 st March, 2003	25,763	-	1,167	26,930

4. Stocks

	2004 £	2003 £
2004 (2003) harvest costs	27,161	24,902
2003 (2002) unsold harvest	154,349	122,653
less arable area payments	(59,438)	(43,692)
	112,072	103,863

5. Debtor

Other debtors	997	691
Due from an associated company		
- loan account	40,113	65,721
	41,110	66,412

Due from an associated company

The loan is unsecured, interest free and is not subject to any fixed repayment terms.

Notes to the financial statements For the year ended 31st March 2004

6. Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	26,095	19,198
Other creditors	49,544	37,298
Due to a related company	21,496	13,304
Due to an associated company		
- other creditor	57,635	35,672
Taxation	4	6,635
	<u>154,774</u>	<u>112,107</u>

Due to an associated company

The loan is unsecured, interest free and will not be recalled in full, nor will the creditor be paid until all other liabilities have been met. Mrs. J.M. Shirley is a director, but does not control that company.

7. Share capital

	2004	2003
	£	£
Authorised		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Issued		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. Profit and loss account

At 1 April 2003	111,817	85,442
(Loss)/Profit retained for the year	<u>(27,834)</u>	<u>26,375</u>
At 31 March 2004	<u>83,983</u>	<u>111,817</u>

9. Reconciliation of movements in shareholders' funds

(Loss)/Profit for the year	(27,834)	26,375
Opening shareholders' funds	<u>111,819</u>	<u>85,444</u>
Closing shareholders' funds	<u>83,985</u>	<u>111,819</u>

**Notes to the financial statements
For the year ended 31st March 2004**

10. Related party transactions

The company is controlled by Mrs. J.M. Shirley. During the year rent of £21,496 was payable by the company to Ettington Settled Estates Company Limited, a company of which Mrs. J.M. Shirley and Mr. M.F.G. Crowe are also directors. At 31st March 2004 the amount owed to Ettington Settled Estates Company Limited is shown in Note 6.

During the year rent of £57,635 was payable by the company to J.E.S. Holdings Limited. Mrs. J.M. Shirley is a director of J.E.S. Holdings Limited and the amount owed to this associated company at 31st March 2004 is shown in Note 6. There is also an amount due from this associated company shown in Note 5.

**Profit and loss account detail
For the year ended 31st March 2004**

	2004 £	2003 £
Sales		
Harvest	104,510	147,910
Direct expenses		
Opening stock	103,863	103,597
Seeds	6,827	6,165
Fertilisers	18,686	12,214
Sprays	23,679	21,388
Electricity	49	1,132
Water	100	450
Insurance	812	839
IACS fee	470	470
Rodent control	468	559
Contracting and drying	106,519	92,276
	(261,473)	(239,090)
Arable area and set aside payments scheme	99,815	91,961
	(161,658)	(147,129)
Less closing stock	122,072	103,863
	(39,586)	(43,266)
Gross profit	64,924	104,644
Overheads		
Rent payable	79,131	48,976
Repairs	2,027	8,916
Agents' fees	6,853	6,812
Accountancy and audit fees	2,618	2,559
Depreciation	2,425	5,278
Bank charges	43	94
Sundry expenses	-	135
	(93,097)	(72,770)
	(28,173)	31,874
Tree planting	339	339
Net farming (loss)/profit	(27,834)	32,213