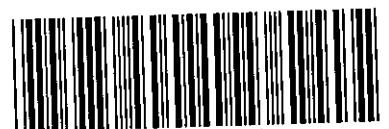


J A CLAYTON LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2006

Company Number 668613

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J A CLAYTON LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Company Registration Number	668613
Registered Office	Orchard House Bury Lane Farm Melbourn Royston Hertfordshire SG8 6DF
Director	Mr J J A Clayton
Secretary	Mrs J J Clayton
Bankers	Barclays Bank plc Royston
Solicitors	Taylor Vinters Cambridge
Accountants	Grant Thornton UK LLP Chartered Accountants Kettering

J A CLAYTON LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2006

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J A CLAYTON LIMITED

REPORT OF THE DIRECTOR

The director presents his report together with unaudited financial statements for the year ended 30 June 2006.

Principal activities

The company is principally engaged in farming.

Business review

Results

There was a loss for the year after tax amounting to £(18,261) (2005: loss £(10,251)). No dividend was paid during the year leaving £(18,261) (2005: loss £(10,251)) to be transferred from reserves.

Directors

The director served throughout the year.

The interests of the director in the shares of the company as at 1 July 2005 and at 30 June 2006, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	30 June 2006	1 July 2005
	Number of	Number of
	shares	shares
Mr J J A Clayton	25,600	23,000

The director did not have, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

Directors' responsibilities for the financial statements

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 maintaining proper accounting records, for safeguarding the assets of the company, the system of internal control and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J A CLAYTON LIMITED

REPORT OF THE DIRECTOR

Small company exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Auditors

The company is taking advantage of the Companies Act 1985 (audit exemption) Regulations 1994 and is therefore exempt from the obligation to appoint auditors.

ON BEHALF OF THE BOARD

Director:

Date:

17 Cyt.
28.03.07.

**CHARTERED ACCOUNTANTS' REPORT TO THE
DIRECTOR ON THE UNAUDITED FINANCIAL STATEMENTS OF**

J A CLAYTON LIMITED

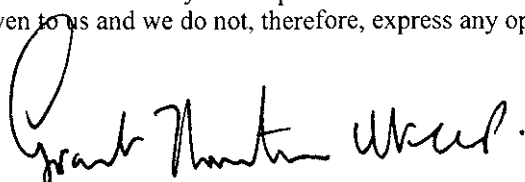
In accordance with the engagement letter dated 25 June 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that, for the year ended 30 June 2006, the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



**GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
KETTERING**

Date: 3rd April 2007.

J A CLAYTON LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) except that certain items of plant and machinery are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

INCOME FROM INVESTMENTS

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation of all tangible fixed assets other than freehold land and certain properties by equal annual instalments or by the reducing balance method over their expected useful lives. The rates generally applicable are:-

Freehold properties	4% straight line
Plant and machinery	20 - 30% reducing balance

No depreciation is provided on certain freehold properties as it is the company's policy to maintain these assets in a continual state of sound repair. The useful economic lives of these assets are thus so long and residual values so high that any depreciation would not be material. Residual values are based on prices prevailing at the date of acquisition or subsequent valuation. Provision is made in the profit and loss account for any permanent diminution in value.

GOVERNMENT GRANTS

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

INVESTMENTS

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

J A CLAYTON LIMITED

PRINCIPAL ACCOUNTING POLICIES

STOCKS

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

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

J A CLAYTON LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2006

	Note	2006 £	2005 £
Turnover	1	40,104	40,043
Cost of sales		41,905	26,450
Gross (loss)/profit		(1,801)	13,593
Other operating income and charges		(16,375)	(22,913)
Operating loss		(18,176)	(9,320)
Income from other fixed asset investments	2	211	180
Net interest	3	(296)	(1,142)
Loss on ordinary activities before taxation	1	(18,261)	(10,282)
Tax on loss on ordinary activities	5	-	31
Retained loss transferred to reserves	11	(18,261)	(10,251)

There were no recognised gains or losses other than the loss for the current and preceeding year and accordingly no statement of total recognised gains and losses is shown.

J A CLAYTON LIMITED**BALANCE SHEET AT 30 JUNE 2006**

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	6	116,438	119,511
Investments	7	-	1,011
		<u>116,438</u>	<u>120,522</u>
Current assets			
Stocks		-	27,625
Debtors	8	448,259	461,678
		<u>448,259</u>	<u>489,303</u>
Creditors: amounts falling due within one year	9	<u>49,575</u>	<u>76,442</u>
Net current assets		<u>398,684</u>	<u>412,861</u>
Net assets		<u>515,122</u>	<u>533,383</u>
Capital and reserves			
Called up share capital	11	52,000	52,000
Other reserves	11	8,000	8,000
Profit and loss account	11	455,122	473,383
Total equity shareholders' funds	11	<u>515,122</u>	<u>533,383</u>

For the year ended 30 June 2006, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221, and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of Section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board of Directors on 28 March 2007.

- Director

17 Gt.

The accompanying accounting policies and notes form an integral part of these financial statements.

J A CLAYTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2006

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after charging/ (crediting):

	2006 £	2005 £
Depreciation - owned assets	3,073	3,142
Government grants	-	12,418

2 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2006 £	2005 £
From other fixed asset investments	211	180

3 NET INTEREST

	2006 £	2005 £
Other interest payable and similar charges	(296)	(1,143)
	(296)	(1,143)
Other interest receivable and similar income	-	1
	(296)	(1,142)

4 DIRECTOR'S REMUNERATION

During the year the director was paid no remuneration (2005 £nil).

J A CLAYTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2006

5 TAX ON LOSS ON ORDINARY ACTIVITIES

The taxation charge represents:

	2006 £	2005 £
Adjustments in respect of prior year:	-	(31)
Total current tax	-	(31)
Total deferred tax (Note 10)	-	-
Tax on loss on ordinary activities	-	(31)

6 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 July 2005	202,922	86,339	289,261
At 30 June 2006	202,922	86,339	289,261
Depreciation			
At 1 July 2005	84,787	84,963	169,750
Provided in the year	2,798	275	3,073
At 30 June 2006	87,585	85,238	172,823
Net book amount at 30 June 2006	115,337	1,101	116,438
Net book amount at 30 June 2005	118,135	1,376	119,511

The gross amount of land and buildings on which depreciation is being provided is £99,303 (30 June 2005: £99,303).

J A CLAYTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

7 FIXED ASSET INVESTMENTS

	Other investments other than loans £
Cost and net book value	
At 30 June 2006	<u>0</u>
At 30 June 2005	<u>1,011</u>

8 DEBTORS

	2006 £	2005 £
Other debtors	<u>448,259</u>	<u>461,678</u>
	<u>448,259</u>	<u>461,678</u>

Included within other debtors is £441,281 (2005: £455,321) due from E W Pepper Limited, a company in which the director and shareholder, Mr J J A Clayton, is also a shareholder and a director, falling due after more than one year.

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdraft	<u>4,465</u>	<u>24,932</u>
Trade creditors	<u>-</u>	<u>6,400</u>
Other creditors	<u>45,110</u>	<u>45,110</u>
	<u>49,575</u>	<u>76,442</u>

10 DEFERRED TAXATION

There is no deferred tax provided in the financial statements.

The company has unrelieved tax losses of £73,553 (2005:£57,487). A deferred tax asset has not been recognised in respect of these losses as the directors cannot say with any certainty that they will be recovered.

J A CLAYTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

11 SHAREHOLDERS' FUNDS

	Share capital £	Capital redemption reserve £	Profit and loss £	Share- holders' funds £
At 1 July 2004	52,000	8,000	483,634	543,634
Retained loss for the year	-	-	(10,251)	(10,251)
At 30 June 2005	52,000	8,000	473,383	533,383
Retained loss for the year	-	-	(18,261)	(18,261)
At 30 June 2006	52,000	8,000	455,122	515,122

Share capital

	2006 £	2005 £
Authorised 52,000 ordinary shares of £1 each	52,000	52,000
Allotted, called up and fully paid 52,000 ordinary shares of £1 each	52,000	52,000

12 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2006 or 30 June 2005.

13 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2006 or 30 June 2005.

J A CLAYTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

14 TRANSACTIONS WITH RELATED PARTIES

During the year the company purchased goods from, and sold goods to, E W Pepper Limited, a company in which Mr J J A Clayton is a shareholder and a director, the details of which are shown below. At 30 June 2006 £441,281 (2005: £455,321) remained outstanding and is included within other debtors. The loan is repayable after 12 months written notice. During the year interest was not charged on the loan (2005: NIL%).

All transactions were on a normal trading basis.

	2006 £	2005 £
Management charge	4,750	14,500
Cost of sales - arable	(14,000)	(26,450)
Year end balance		
Other debtors (note 8)	441,281	455,321