Lord Rayleigh's Farms Limited

Abbreviated Accounts

For

30 June 2011

CONWAY FIELDEN GOUGH
Chartered Accountants & Statutory Auditor
Colne House
Guithavon Street
Witham
Essex
CM8 1BL
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Lord Rayleigh’s Farms Limited

Independent Auditor’s Report to Lord Rayleigh’s Farms Limited under Chapter 10 of Part 15 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 6 to 11, together with the financial statements of Lord Rayleigh’s Farms Limited for the year ended 30 June 2011 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditor
The director is responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of Opinion
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out below.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other Information
On 28 March 2012 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 30 June 2011, and the full text of the company audit report is reproduced on pages 4 to 6 of these financial statements, along with, on page 6, the note 9 referred to.

Paul Conway (FCA)
(Senior Statutory Auditor)
For and on behalf of
CONWAY FIELDEN GOUGH
Chartered Accountants
& Statutory Auditor

Colne House
Guthavon Street
Witham
Essex
CM8 1BL
28 March 2012
Lord Rayleigh's Farms Limited
Independent Auditor's Report to the Shareholders of
Lord Rayleigh's Farms Limited
Year Ended 30 June 2011

We have audited the financial statements of Lord Rayleigh's Farms Limited for the year ended 30 June 2011. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditor
As explained more fully in the Director's Responsibilities Statement set out on pages 3 to 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out below:

Scope of the Audit of the Financial Statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

QUALIFIED OPINION
Qualified Opinion Arising from Disagreement about Extent of Disclosure
As explained in note 9, the company has not obtained the necessary information, including a valuation of the assets and liabilities of the Lord Rayleigh's Farm Incorporated and Strutt and Parker (Farms) Limited Staff Pension Fund attributable to the company, to make the increased disclosures required by the Financial Reporting Standard 17, Retirement Benefits. Accordingly the financial statements do not include these disclosures.

Except for the omission of the information described above, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2011 and of its profit for the year then ended, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and have been properly prepared in accordance with the Companies Act 2006.

In respect alone of the omission of disclosures described above we have not obtained all the information and explanations we considered necessary for the purpose of our audit
Lord Rayleigh's Farms Limited
Independent Auditor's Report to the Shareholders of
Lord Rayleigh's Farms Limited
Year Ended 30 June 2011

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Paul Conway (FCA)
(Senior Statutory Auditor)

For and on behalf of
CONWAY FIELDEN GOUGH
Chartered Accountants
& Statutory Auditor

Colne House
Guithavon Street
Witham
Essex
CM8 1BL

28 March 2012
Lord Rayleigh's Farms Limited
Independent Auditor's Report to the Shareholders of
Lord Rayleigh's Farms Limited
Year Ended 30 June 2011

Narrative as required by Bulletin 2008/4 issued by the Auditing Practices Board
Reproduction of Note 9 - Pensions in the Shareholders Accounts

9. Pension Costs

The company operates a pension scheme in conjunction with Strutt and Parker (Farms) Limited and Eastern Data Processing Limited, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with Legal and General Assurance (Pensions Management) Limited. The most recent valuation was at 1 April 2008.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions have been determined by the qualified actuary on the basis of the triennial valuations carried out using the projected unit method.

Contributions are at the following rates:

<p>| | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>From members</td>
<td>0%-5%</td>
</tr>
<tr>
<td>From employer</td>
<td>11.2%-16.2%</td>
</tr>
</tbody>
</table>

The following actuarial assumptions have been made:

Rate of increase in salaries 3.6%
Pension increases
   (benefits accrued pre 1/4/06 capped at 5%) 3.4%
   (benefits accrued post 1/4/06 capped at 2.5%) 2.5%

The 2008 valuation showed that the market value of the scheme's assets was £11,024,025 and that the actuarial value of those assets represented 87.1% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

It has not been possible to report, as required by FRSSE (effective April 2008), on the fair value of the scheme assets at 30 June 2011 or the expected return on those assets. The associated balance sheet disclosures, analysis of reserves and associated actuarial assumptions, required by FRSSE, have also not been made.

The full disclosures required by FRSSE have not been possible as an actuarial valuation was not conducted at the year end.

Since the year end the 2011 tri-annual actuarial valuation has been received by the company reporting that the scheme was then fully funded and previous deficits made good."
Lord Rayleigh's Farms Limited

Abbreviated Balance Sheet

30 June 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>2011 £</th>
<th>2010 £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>150</td>
<td>11,032</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>4,557,901</td>
<td>4,302,974</td>
</tr>
<tr>
<td>Investments</td>
<td>477,264</td>
<td>421,284</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>5,035,315</td>
<td>4,735,290</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>2,199,162</td>
<td>2,164,423</td>
</tr>
<tr>
<td>Debtors</td>
<td>1,064,531</td>
<td>755,888</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>770,141</td>
<td>1,628,448</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>4,033,834</td>
<td>4,548,759</td>
</tr>
<tr>
<td><strong>Creditors: Amounts Falling due Within One Year</strong></td>
<td>(2,127,944)</td>
<td>(2,880,165)</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td>1,905,890</td>
<td>1,668,594</td>
</tr>
<tr>
<td><strong>Total Assets Less Current Liabilities</strong></td>
<td>6,941,205</td>
<td>6,403,884</td>
</tr>
<tr>
<td><strong>Creditors: Amounts Falling due after More than One Year</strong></td>
<td>-</td>
<td>(1,068,956)</td>
</tr>
<tr>
<td><strong>Provisions for Liabilities</strong></td>
<td>(40,460)</td>
<td>(25,070)</td>
</tr>
<tr>
<td><strong>Total Capital and Reserves</strong></td>
<td>6,900,745</td>
<td>5,309,858</td>
</tr>
<tr>
<td><strong>Capital and Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called-up equity share capital</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>2,900,745</td>
<td>1,309,858</td>
</tr>
<tr>
<td><strong>Shareholders’ Funds</strong></td>
<td>6,900,745</td>
<td>5,309,858</td>
</tr>
</tbody>
</table>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved and signed by the director and authorised for issue on 28 March 2012.

Lord Rayleigh
Director

Company Registration Number: 251241

The notes on pages 8 to 12 form part of these abbreviated accounts.
Lord Rayleigh's Farms Limited
Notes to the Abbreviated Accounts
Year Ended 30 June 2011

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover consists of amounts receivable in respect of produce and goods and services provided during the year. It is all derived from activities in the United Kingdom.

Quotas are stated at cost less depreciation. Depreciation on milk quota is calculated to write down the cost by equal annual instalments.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property improvements - 6.7% per annum straight line
Leasehold property improvements - 5%-6.7% per annum straight line
Plant & Machinery - 25% to 50% per annum reducing balance

The cost of mature livestock is based on the cost of rearing immature livestock to the date of transfer into the production herd. The mature livestock are amortised on a straight line basis over five years to anticipated cull values. Provision is made for any impairment in value.

Stocks

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

Stores on farms are stated at invoiced cost.

Harvested and unharvested crops are stated at the cost of seeds, fertilisers and sprays applied plus a figure calculated to represent the cost of preparing the land, and in the case of harvested crops, an estimate of harvesting costs.

The value of immature livestock is based on rearing costs to date.
Lord Rayleigh's Farms Limited

Notes to the Abbreviated Accounts

Year Ended 30 June 2011

Work in Progress

Unharvested crops is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of unharvested crops.

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.
Lord Rayleigh's Farms Limited

Notes to the Abbreviated Accounts

Year Ended 30 June 2011

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

2. Prior Year Adjustment

The prior year adjustment of £16,164 arises due to the company reassessing the useful life of some assets causing additional depreciation to be charged on those assets in respect of prior years and a revision of stocks.
Lord Rayleigh's Farms Limited

Notes to the Abbreviated Accounts

Year Ended 30 June 2011

3. Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Intangible Assets £</th>
<th>Tangible Assets £</th>
<th>Investments £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2010</td>
<td>337,022</td>
<td>12,104,905</td>
<td>542,812</td>
<td>12,984,739</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>1,097,341</td>
<td>55,980</td>
<td>1,153,321</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(772,435)</td>
<td>–</td>
<td>(772,435)</td>
</tr>
<tr>
<td><strong>At 30 June 2011</strong></td>
<td>337,022</td>
<td>12,429,811</td>
<td>598,792</td>
<td>13,365,625</td>
</tr>
</tbody>
</table>

Depreciation and Amounts Written Off

<p>| | | | | |</p>
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<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 July 2010</td>
<td>325,990</td>
<td>7,801,931</td>
<td>121,528</td>
<td>8,249,449</td>
</tr>
<tr>
<td>Charge for year</td>
<td>10,882</td>
<td>574,310</td>
<td>–</td>
<td>585,192</td>
</tr>
<tr>
<td>On disposals</td>
<td>–</td>
<td>(514,146)</td>
<td>–</td>
<td>(514,146)</td>
</tr>
<tr>
<td>Prior year adjustment</td>
<td>–</td>
<td>9,815</td>
<td>–</td>
<td>9,815</td>
</tr>
<tr>
<td><strong>At 30 June 2011</strong></td>
<td>336,872</td>
<td>7,871,910</td>
<td>121,528</td>
<td>8,330,310</td>
</tr>
</tbody>
</table>

Net Book Value

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<tr>
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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 30 June 2011</td>
<td>150</td>
<td>4,557,901</td>
<td>477,264</td>
<td>5,035,315</td>
</tr>
<tr>
<td>At 30 June 2010</td>
<td>11,032</td>
<td>4,302,974</td>
<td>421,284</td>
<td>4,735,290</td>
</tr>
</tbody>
</table>

The company has a wholly owned subsidiary, LRF Investments limited. This company is registered in England and Wales and it is dormant. At 30 June 2011 Lord Rayleigh's Farms Limited owned 10,000 £1 shares in LRF Investments limited which has negative capital reserves of £290,472. Group accounts have not been prepared as the group qualifies as a small group under the Companies Act 2006.

These accounts include on a consolidated basis the results and financial position of this company's interest in the Stanford Sheep Partnership. The exemptions provided by Regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993 have been utilised.
Lord Rayleigh's Farms Limited

Notes to the Abbreviated Accounts

Year Ended 30 June 2011

4. Related Party Transactions

(a) The immediate and ultimate controlling party throughout the current and previous
year is Lord Rayleigh.

(b) Dividends of £50,001 (2010:£50,001) were payable directly to Lord Rayleigh and
£nil (2010:£34,457) as a trustee. Dividends of £37,999 (2010:£nil) were payable
to John Frederck Strutt.

(c) Due from LRF Investment Limited at Balance Sheets dates:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 30 June 2011</td>
<td>17,913</td>
</tr>
<tr>
<td>Year ended 30 June 2010</td>
<td>17,913</td>
</tr>
</tbody>
</table>

(d) The company occupies for commercial purposes land and buildings owned by Lord
Rayleigh and both the 1985 and 1986 A & M Settlements. Rents charged for these
properties are on a commercial basis and amounted to £263,624 (2010: £325,270)

(e) The balance on Lord Rayleigh's current account was:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing balance owed to/(owed by) the company</td>
<td>nil</td>
<td>(15,334)</td>
</tr>
<tr>
<td>The highest balance outstanding during the year</td>
<td>nil</td>
<td>6,205</td>
</tr>
</tbody>
</table>

(f) On 12 June 2009 Lord Rayleigh loaned Lord Rayleigh’s Farms Limited £2,500,000.
Interest is payable quarterly in arrears at a fixed rate of 4.15%. Repayment is as
follows:
- first £500,000 on or by 30 June 2010- the next £1,000,000 on or by 30 June 2011
and
- the next £1,000,000 on or by 30 June 2012.

At 30 June 2011 £450,353 was owing to Lord Rayleigh. Lord Rayleigh has a charge
over the assets of Lord Rayleigh's Farms Limited pro rata to the debt outstanding.

5. Share Capital

Allotted, called up and fully paid:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000,000 Ordinary shares of £1 each</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>