SYKES HOUSE FARM LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1997

Company no. 00917409

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LITHGOW, PERKINS & CO.

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AUDITORS' REPORT TO SYKES HOUSE FARM LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of the company prepared for the year ended 30th June 1997 under section 226 of the Companies Act 1985.

Respective responsibilities of the director and auditors
The director is responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts 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 accounts and that the abbreviated accounts 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 financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

Lithgow Perkins & Co.

Lithgow, Perkins & Co.

Chartered Accountants and
Registered Auditor

9th September 1997

SYKES HOUSE FARM LIMITED

BALANCE SHEET AS AT 30TH JUNE 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		292,220		235,899
CURRENT ASSETS					
Stocks		35,556		44,394	
Debtors	3	252,819		217,182	
Cash at bank and in hand		7,838		871	
		296,213		262,447	
CREDITORS: Amounts falling due within one year	4	(179,562)		(159,424)	
NET CURRENT ASSETS			116,651		103,023
TOTAL ASSETS LESS CURRENT LIABILITIES			408,871		338,922
CREDITORS: Amounts falling due after more than one year	5	(698)		(1,638)	
			(698)		(1,638)
			408,173		337,284
CAPITAL AND RESERVES					
Called-up share capital	6		1,000		1,000
Profit and loss account			407,173		336,284
SHAREHOLDERS' FUNDS			408,173		337,284

The director has taken advantage, in the preparation of the abbreviated accounts, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board :

M.P. Smith - Director

MPS

9th September 1997

M. P. Smith

The notes set out on pages 4 to 6 form an integral part of these accounts

SYKES HOUSE FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH JUNE 1997

1 ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Motor vehicles	- 25% on the reducing balance method
Fixtures & equipment	- 10% on the reducing balance method
Freehold property	- 1% on the straight line method excluding land

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Deferred taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(e) Assets leased

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged on a straight-line basis over the term of the lease.

SYKES HOUSE FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH JUNE 1997

(f) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

(g) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

2 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & equipment	Freehold property	Total
COST	£	£	£	£
At 1st July 1996	63,534	153,583	184,075	401,192
Additions at cost	42,425	44,213	1,797	88,435
Applicable to disposals	(5,735)	-	-	(5,735)
At 30th June 1997	100,224	197,796	185,872	483,892
DEPRECIATION				
At 1st July 1996	40,083	102,663	22,548	165,294
Charge for the year	15,035	9,514	1,829	26,378
At 30th June 1997	55,118	112,177	24,377	191,672
NET BOOK VALUE				
At 30th June 1997	45,106	85,619	161,495	292,220
At 30th June 1996	23,451	50,921	161,527	235,899

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1997	1996
	£	£
Net book value at 30th June 1997	28,535	13,510
Depreciation charge for the year	9,512	4,503

3 DEBTORS

Debtors include a loan to a director of the company, M.P. Smith, details of which are as follows:

	1997	1996
	£	£
Amount outstanding at beginning of year	1,500	1,236
Amount outstanding at end of year	363	1,500
Maximum outstanding during the year	1,500	1,500

SYKES HOUSE FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH JUNE 1997

4 CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
The following secured amounts fall due within one year:		
Net obligations under finance leases and hire purchase contracts	11,027	3,413

	1997	1996
	£	£
Amounts payable by instalments due within one year hence:		
Net obligations under finance leases and hire purchase contracts	11,027	3,413

5 CREDITORS: Amounts falling due after more than one year

	1997	1996
	£	£
The following secured amounts fall due after more than one year:		
Net obligations under finance leases and hire purchase contracts	698	1,638

	1997	1996
	£	£
Amounts payable by instalments between one and five years hence:		
Net obligations under finance leases and hire purchase contracts	698	1,638

6 SHARE CAPITAL

	Number 1997	Value 1997	Number 1996	Value 1996
Authorised:		£		£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Issued and fully paid:				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000