COMPANY NUMBER: 966310

AUDITORS' REPORT TO THE DIRECTORS OF KEIGHLEY ABATTOIR LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Keighley Abattoir Limited prepared under Section 226 of the Companies Act for the year ended 31st October 1996.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion
We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been 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 full financial statements.

Opinion
In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st October 1996 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information
On 21st November 1997 we reported, as auditors of Keighley Abattoir Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st October 1996 and our audit report was as follows:

'We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention, and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors
As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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

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AUDITORS' REPORT TO THE DIRECTORS OF KEIGHLEY ABATTOIR LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (continued)

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation and renewal of the company's bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at the 31st October 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Clough & Company

Date: 21st November 1997

Chartered Accountants and
Registered Auditors

15/17 Devonshire Street,
Keighley,
West Yorkshire.

ABBREVIATED BALANCE SHEET
AS AT 31ST OCTOBER 1996

	Notes	1996 £	1996 £	1995 £	1995 £
FIXED ASSETS					
Tangible assets	3		808,553		718,052
Investments			270		270
			808,823		718,322
CURRENT ASSETS					
Stocks		14,809		3,444	
Debtors		148,219		196,981	
		163,028		200,425	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	(416,008)		(368,395)	
NET CURRENT LIABILITIES			(252,980)		(167,970)
TOTAL ASSETS LESS CURRENT LIABILITIES			555,843		550,352
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	4		(88,510)		(94,693)
PROVISION FOR LIABILITIES AND CHARGES			(9,000)		(12,800)
NET ASSETS			458,333		442,859
CAPITAL AND RESERVES					
Called up share capital	5		2,048		2,048
Profit and loss account			456,285		440,811
EQUITY SHAREHOLDERS' FUNDS			458,333		442,859

The notes on pages 4 to 6 form part of these accounts.

In preparing these Financial Statements:
The company has claimed exemptions under Section A of Part III of Schedule 8 to the Companies Act 1985
In the opinion of the directors the company is entitled to these exemptions as a small company

The financial statements were approved by the Board on 21 Nov 1997 and signed on its behalf by

C.M. Whiteley
Director

A.L. Whiteley
Director

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 1996

1. BASIS OF PREPARING THE FINANCIAL STATEMENTS

The company meets its day-to-day working capital requirements through a "group" overdraft facility which, in common with all such facilities, is repayable on demand. The "group" overdraft facility is shared with W. Whiteley and Son and Myles Whiteley Limited. The facility is currently under review and as such there is still the possibility that it will not be renewed at a level adequate for the "group's" requirements.

The company is also party to a letter of set off dated 21st February 1994 involving W. Whiteley and Son, Myles Whiteley Limited and Keighley Abattoir Limited. In view of the "group's" relationship with the company's bankers, the directors consider it reasonable to rely on the continuation of the overdraft facilities currently in place.

The directors have prepared and considered projected cash flow information covering the year ending on 31st October 1998. On the basis of this cash flow information, the pledged support of the directors and discussions with the company's bankers, the directors consider that it is likely that facilities adequate for the company's requirements will be forthcoming and on that basis, consider it appropriate to prepare the financial statements on the going concern basis.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards.

The accounting policies for dealing with items judged material or critical in stating the results for the year and the financial position of the company are:

2.1 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention except that, as explained below, freehold land and buildings are not depreciated.

2.2 TURNOVER

Turnover represents the invoiced amounts of goods sold and provided, net of value added tax.

2.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

No depreciation is provided on the freehold land and buildings this year. It is the company's practice to maintain this asset in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly, the directors consider that the life of this asset is so long and the residual value is so high that the depreciation is insignificant. Any permanent diminution in the value of such property is charged to profit and loss account as appropriate.

This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated, however, the directors consider that to depreciate the freehold land and buildings will not give a true and fair view.

For all other fixed assets, depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and equipment	-	20% per annum Straight Line
Fixtures and fittings	-	20% per annum Straight Line
Motor Vehicles	-	25% per annum Straight Line

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST OCTOBER 1996

2.4 LEASING

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the contract term or their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.5 INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

2.6 STOCK

Stock is valued at the lower of cost and net realisable value.

2.7 DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors considers that a liability to taxation is unlikely to materialise.

3. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant and machinery	Fixtures fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
COST					
At 1st November 1995	682,167	397,436	69,003	78,177	1,226,783
Additions	79,161	17,511	-	36,450	133,122
At 31st October 1996	761,328	414,947	69,003	114,627	1,359,905
DEPRECIATION					
At 1st November 1995	105,864	307,996	49,823	45,048	508,731
Charge for the year	-	21,390	3,836	17,395	42,621
At 31st October 1996	105,864	329,386	53,659	62,443	551,352
NET BOOK VALUES					
At 31st October 1996	655,464	85,561	15,344	52,184	808,553
At 31st October 1995	576,303	89,440	19,180	33,129	718,052

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST OCTOBER 1996

4. CREDITORS	1996 £	1995 £
Included in creditors are the following:		
Bank overdraft	299,676	76,630
The following creditors are repayable by instalments:		
Mortgage:		
Due within one year	12,000	14,000
Due between one and five years	48,000	48,000
Due in more than five years	31,633	46,693
Finance leases and hire purchase contracts:		
Due within one year	6,679	-
Due after more than one year	8,877	-

The mortgage is secured on the company's freehold property.

The bank overdraft is secured by an unlimited fixed and floating charge over the assets of the company.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

5. SHARE CAPITAL	1996 £	1995 £
Authorised equity		
5,000 Ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid equity		
2,048 Ordinary shares of £1 each	2,048	2,048