COMPANY REGISTRATION NUMBER 2828321

PRO-FIBE NUTRITION LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

30 JUNE 2003



A11
COMPANIES HOUSE
0534
17/12/03

TENON
Accountants & Business Advisers
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

PRO-FIBE NUTRITION LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2003

CONTENTS	PAGE
Independent auditors' report to the company	1
Abbreviated balance sheet	5
Notes to the abbreviated accounts	6

PRO-FIBE NUTRITION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of the company for the year ended 30 June 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

The directors are 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 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 Act, and the abbreviated accounts on pages 6 to 10 are properly prepared in accordance with those provisions.

Other information

On 10 December 2003 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 2003, and the full text of our audit report is reproduced below:

"We have audited the financial statements which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and on the basis of the accounting policies set out therein.

"This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 directors and auditors

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

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

PRO-FIBE NUTRITION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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 Companies Act 1985 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' remuneration 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 audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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.

However, the evidence available to us was limited because we were not appointed auditors of the company until 23 September 2003 and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence as regards all balances included in the preceding years' financial statements at £117,657. Any adjustments to the opening balances would have a consequential effect on the profit for the year ended 30 June 2003.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Full text of audit report (continued)

Qualified opinion arising from limitation in audit scope

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and, except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning all opening balances as at 1 July 2002, of it's results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to all opening balances:

- we have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained."

Blueprint Audit Limited

Blueprint Audit Limited
Registered Auditor
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

10 December 2003

PRO-FIBE NUTRITION LIMITED

ABBREVIATED BALANCE SHEET

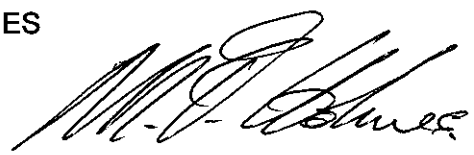
30 JUNE 2003

	Note	2003 £	2003 £	2002 £ Unaudited	2002 £
Fixed assets	2				
Intangible assets			-		*29,644*
Tangible assets			285,831		*262,199*
Investments			9,998		*9,998*
			295,829		*301,841*
Current assets					
Stocks		41,524		*45,889*	
Debtors		145,350		*55,749*	
Cash at bank and in hand		686		*3,939*	
		187,560		*105,577*	
Creditors: Amounts falling due within one year	3	234,737		*204,368*	
Net current liabilities			(47,177)		*(98,791)*
Total assets less current liabilities			248,652		*203,050*
Creditors: Amounts falling due after more than one year	4		39,201		*62,337*
Provisions for liabilities and charges			25,105		*23,056*
			184,346		*117,657*
Capital and reserves					
Called-up equity share capital	6		16,000		*16,000*
Profit and loss account			168,346		*101,657*
Shareholders' funds			184,346		*117,657*

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

These abbreviated accounts were approved by the directors on 10 December 2003 and are signed on their behalf by:

M.F. HOLMES



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 June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Development Costs

Capitalised development costs have been written off during the year. Research and development expenditure is written off as incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Plant & Machinery	-	20% reducing balance
Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

Freehold property has not been depreciated as in the opinion of the directors the charge is not material due to the investment made into the upkeep of the property.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1. **Accounting policies** *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 directors consider 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.

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.

2. Fixed assets

	Intangible Assets £	Tangible Assets £	Investments £	Total £
Cost				
At 1 July 2002	29,644	351,660	9,998	391,302
Additions	–	59,176	–	59,176
Revaluation	(29,644)	–	–	(29,644)
At 30 June 2003	–	410,836	9,998	420,834
Depreciation				
At 1 July 2002	–	89,461	–	89,461
Charge for year	–	35,544	–	35,544
At 30 June 2003	–	125,005	–	125,005
Net book value				
At 30 June 2003	–	285,831	9,998	295,829
At 30 June 2002	*29,644*	*262,199*	*9,998*	*301,841*

The company has a joint venture agreement with H.O. Short & Sons Limited to participate in the operation of Hi-Sol Limited. The company owns 50% of the shares of Hi-Sol Limited, and no decisions may be taken by the directors of Hi-Sol Limited without the separate agreement of both Pro-Fibe Nutrition Limited and H.O. Short & Sons Limited.

Hi-Sol Limited is engaged in research and development on natural sciences and engineering. The results of this joint venture are not included in these financial statements as the directors do not consider them to be material for the purpose of giving a true and fair view.

3. *Creditors: Amounts falling due within one year*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	*2002 £*
Bank loans and overdrafts	10,336	*93,839*

4. Creditors: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2003 £	*2002 £*
Bank loans and overdrafts	39,201	*62,337*

5. Related party transactions

During the year the company made purchases of £510 and received management fees of £4,000 from Hi-Sol Limited. The balance owed to the company at 30 June 2003 was £1183. The company owns 50% of the share capital of Hi-Sol Limited.

6. Share capital

Authorised share capital:

	2003	*2002*
	£	*£*
100,000 Ordinary shares of £1 each	100,000	*100,000*

Allotted, called up and fully paid:

	2003		*2002*	
	No	**£**	*No*	*£*
Ordinary shares of £1 each	16,000	16,000	*16,000*	*16,000*