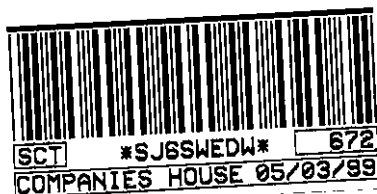


Ellismoss Farms Limited

**Abbreviated accounts
for the year ended 31 July 1998**

Company no: SC34342



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Ellismoss Farms Limited

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Ellismoss Farms Limited**Ellismoss Farms Limited****Report of the auditors to the shareholders of
Ellismoss Farms Limited**

We have examined the abbreviated accounts on pages 2 to 6 together with the full financial statements of Ellismoss Farms Limited for the year ended 31 July 1998. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the directors are entitled under sections 246 to 247 of the companies Act 1985 to the exemptions conferred by Part 1 of schedule 8 to the Act in respect of the year ended 31 July 1998, and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with that schedule.

On 18th January 1999 we reported, as auditors of Ellismoss Farms Limited to the shareholders on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 July 1998 and our audit report was as follows:-

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to Small Companies.

Reeves & Neylan

Reeves & Neylan
Chartered Accountants and Registered Auditors
Forfar
3 February 1999

Ellismoss Farms Limited

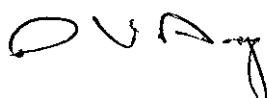
Balance sheet at 31 July 1998

	Note	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	1		501,815		475,630
Trade investments			170		120
			<u>501,985</u>		<u>475,750</u>
Current assets					
Stocks	2	408,690		477,605	
Debtors	3	338,766		243,353	
Cash in hand		80		93	
		<u>747,536</u>		<u>721,051</u>	
Creditors: amounts falling due within one year	4	<u>623,327</u>		<u>433,804</u>	
Net current assets			<u>124,209</u>		<u>287,247</u>
Total assets less current liabilities			<u>626,194</u>		<u>762,997</u>
Creditors: amounts falling due after more than one year	5		<u>107,297</u>		<u>99,847</u>
			<u>518,897</u>		<u>663,150</u>
Provision for liabilities and charges					
Deferred taxation			<u>6,000</u>		<u>700</u>
			<u>512,897</u>		<u>662,450</u>
Capital and reserves					
Called up share capital	6		68		100
Profit and loss account	7		<u>512,829</u>		<u>662,350</u>
			<u>512,897</u>		<u>662,450</u>

In preparing the abbreviated accounts, the directors have relied upon exemptions for individual accounts under section 246 and 247 of Companies Act 1985 on the grounds that the company is entitled to benefit from those exemptions as a small company.

The abbreviated accounts were approved by the board of directors on 2 February 1999 and signed on their behalf by:-

W J Argo
Director



The accounting policies and notes on pages 3-6 form part of the financial statements.

Ellismoss Farms Limited

Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently, are set out below.

Accounting convention

The accounts have been prepared under the historical cost convention.

Depreciation

Depreciation has been calculated on cost at rates estimated to write off all tangible fixed assets other than heritable land and buildings, on a straight line basis, over their expected working lives as follows:

Tenants improvements	over 10 years
Plant and equipment	over 8 years
Motor vehicles	over 5 years

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for taxation, using the liability method, on all material timing differences, to the extent that it is probable that a liability or asset will crystallise.

Cashflow statement

The company is exempt from the requirement to produce a cashflow statement under the terms of FRS 1.

Hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives.

Trade investments

Trade investments have been included at the lower of cost and net realisable value.

Ellismoss Farms Limited

Notes to the financial statements for the year ended 31 July 1998

1 Tangible fixed assets

	Total £	Heritable land and buildings £	Tenants improvements £	Plant and equipment £	Motor vehicles £
Cost					
At 31 July 1997	727,493	315,421	91,101	286,030	34,941
Additions	63,794	-	16,970	46,824	-
Disposals	(20,951)	-	-	(20,951)	-
At 31 July 1998	770,336	315,421	108,071	311,903	34,941
Depreciation					
At 31 July 1997	251,863	-	53,391	177,391	21,081
Charge for period	36,962	-	6,056	25,368	5,538
Adjust re disposals	(20,304)	-	-	(20,304)	-
At 31 July 1998	268,521	-	59,447	182,455	26,619
Written down value					
At 31 July 1998	501,815	315,421	48,624	129,448	8,322
At 31 July 1997	475,630	315,421	37,710	108,639	13,860

Included in the above written down value are assets held under hire purchase finance contracts amounting to £28,000 (1997 - £nil)

2 Stocks

	1998 £	1997 £
Livestock	381,185	416,881
Feed	25,690	39,040
Grass	1,815	1,815
	408,690	477,605

3 Debtors: amounts falling due within one year

	1998 £	1997 £
Trade debtors	96,013	138,789
Other debtors	18,256	34,903
Firm of E & W J Argo current account	195,844	59,060
Prepayments	10,514	10,601
Corporation tax recoverable	18,139	-
	338,766	243,353

Other debtors includes £18,256 (1997 - £18,705) relating to debtors due after more than 1 year.

Ellismoss Farms Limited

Notes to the financial statements for the year ended 31 July 1998

4 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdraft (see below)	444,151	223,448
Corporation tax	-	54,894
Hire purchase creditors	6,980	-
Trade creditors	114,755	129,349
Social security and other taxes	7,287	5,961
Accruals	14,031	20,152
Other creditors	36,123	-
	<u>623,327</u>	<u>433,804</u>

5 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Hire purchase creditor	7,327	-
Loan account (see below)	99,970	99,847
	<u>107,297</u>	<u>99,847</u>

	1998 £	1997 £
Due to Mrs C Armstrong	35,965	36,500
Due to Mrs S Archibald	64,005	63,347
	<u>99,970</u>	<u>99,847</u>

Secured debts; are bank overdraft of £444,151, hire purchase creditors of £14,307 and loans of £99,970.

Ellismoss Farms Limited

Notes to the financial statements for the year ended 31 July 1998

6 Called up share capital

	1998 £	1997 £
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted called up and fully paid		
Ordinary shares of £1 each	<u>68</u>	<u>100</u>

32 Ordinary £1 shares were purchased by Ellismoss Farms Ltd and cancelled on 24 November 1997.

7 Profit and loss account

	1998 £	1997 £
At 31 July 1997	662,350	481,896
Share capital purchased	(111,968)	-
(Loss)/profit for the year	<u>(37,553)</u>	<u>180,454</u>
At 31 July 1998	<u>512,829</u>	<u>662,350</u>

8 Reconciliation of movements in shareholders funds

	1998 £	1997 £
(Loss)/profit for the financial year	(37,553)	180,454
Opening shareholders' funds	662,450	481,996
Share capital purchased and cancelled by company	<u>(112,000)</u>	<u>-</u>
Closing shareholders' funds	<u>512,897</u>	<u>662,450</u>