WEYLAND FARMS LIMITED

Financial Statements
for the year ended 31 March 1997

COMPANY NUMBER SC 81663



WEYLAND FARMS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 March 1997.

1. Results

The profit and loss account is set out on page 5 and shows the profit for the year.

2. Principal Activities

The company is engaged in the business of farming.

3. Directors and their Interests

The directors and their interests in the share capital of the company were as follows:

	Ordinary Shares of £1 Each	
	31 March 1997	**1 April 1996**
G T Wylie	-	-
Mrs M Bichan	-	-
S R Hill (resigned 28 March 1997)	-	-
G Stevenson	-	-
J Foubister	-	-
R H Gilbert	1	1

The directors who retire by rotation are Mrs M Bichan and J Foubister who, being eligible, offer themselves for re-election.

4. Directors' Responsibilities

Company law requires the directors to prepare financial statements each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:-

Select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. Auditors

Price & Long have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



J Foubister
Director

24 September 1997

Neil A. Price, BSc., C.A. *Alan E. Long, BSc., F.C.A., A.T.I.I.*



PRICE & LONG
CHARTERED ACCOUNTANTS

AUDITORS' REPORT
TO THE MEMBERS OF WEYLAND FARMS LIMITED

We have audited the financial statements on pages 5 to 10 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 financial 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 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

PRICE & LONG
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

24 September 1997

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Registered to carry out audit work and authorised to carry on investment business by
The Institute of Chartered Accountants of Scotland

WEYLAND FARMS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

PROFIT AND LOSS ACCOUNT

1996 £		Note	£
355133	Turnover		328997
(189996)	Cost of Sales		(136175)
165137	GROSS PROFIT		192822
(170298)	Administrative Expenses		(172421)
2640	Other Operating Income		1700
(2521)	Profit(Loss) on Ordinary Activities Before Taxation		22101
-	Tax on Profit on Ordinary Activities	4	-
(2521)	Retained Profit/(Loss) for Year		22101

STATEMENT OF ACCUMULATED LOSSES

(93256)	Accumulated Loss at 1 April 1996	(95777)
(2521)	Retained Profit/(Loss) for year	22101
(95777)	Accumulated Loss at 31 March 1997	(73676)

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit/(loss) for the year.

The notes on pages 7 to 10 form part of these financial statements.

WEYLAND FARMS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

BALANCE SHEET AT 31 MARCH 1997

1996 £		Note	£	£
	FIXED ASSETS			
79843	Tangible Assets	4		79510
937	Investments			937
80780				80447
	CURRENT ASSETS			
288414	Stock		293810	
34258	Debtors	5	56900	
-	Cash at Bank and in Hand		7221	
322672			357931	
	CREDITORS: Amounts Falling Due			
16539	Within One Year	6	19363	
16539			19363	
306133	NET CURRENT ASSETS			338568
386913	TOTAL ASSETS LESS CURRENT LIABILITIES			419015
	CREDITORS: Amounts Falling Due			
472690	After More Than One Year:	7		482691
(85777)				(63676)
	CAPITAL AND RESERVES			
10000	Called Up Share Capital	8		10000
(95777)	Profit and Loss Account			(73676)
(85777)	Shareholders' Funds	9		(63676)

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 24 September 1997

..... J. Foubister ..... J FOUBISTER (DIRECTOR)

The notes on pages 7 to 10 form part of these financial statements.

1. Accounting Policies

The financial statements are prepared under the historical cost convention.

The following accounting policies have been applied:-

a) Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard I "Cash Flow Statements".

b) Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

c) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

Farm Cottage Improvements	-	10% per annum
Farm Buildings and Drainage	-	10% per annum
Tractor	-	20% per annum

No depreciation has been provided on farm cottages during the year.

d) Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. Operating Profit

This is stated after charging:

	1997 £	1996 £
Depreciation	5279	6080
Auditors' Remuneration	550	1020
Hire of Plant and Machinery	30699	23326

3. Tax on Profit on Ordinary Activities

There is no taxation charge for the year due to the trading losses brought forward. (1996:Nil)

4. Tangible Fixed Assets

	Heritable Property £	Tenants' Improvements £	Plant and Equipment £	TOTAL £
Cost				
At 1 April 1996	34443	71934	21000	127377
Additions	-	4946	-	4946
At 31 March 1997	34443	76880	21000	132323
Depreciation				
At 1 April 1996	464	31575	15495	47534
Charge for the Year	198	4530	551	5279
At 31 March 1997	662	36105	16046	52813
Net Book Value				
At 31 March 1997	33781	40775	4954	79510
At 31 March 1996	33979	40359	5505	79843

5. Debtors

	1997 £	1996 £
Amounts Falling Due Within One Year:-		
Other Debtors	56900	34258

6. Creditors

	1997 £	1996 £
Amounts Falling Due Within One Year:-		
Sundry Creditors and Accruals	19363	16589

7. Creditors

	1997 £	1996 £
Amounts Falling Due After More than One Year:-		
Loan from Orkney Islands Council	482691	472690

8. Share Capital

	Authorised		Allotted, Called Up and Fully Paid	
	1997	1996	1997	1996
	£	£	£	£
Ordinary Shares of £1 each	10000	10000	10000	10000

9. Reconciliation of Movements in Shareholders' Funds

	1997	1996
	£	£
Profit/(Loss) for the financial year after taxation	22101	(2521)
Opening Shareholders' Funds	(85777)	(83256)
Closing Shareholders' Funds	(63676)	(85777)

10. Capital Commitments

There were no capital commitments at 31 March 1997 or 31 March 1996.

11. Contingent Liabilities

There were no contingent liabilities at 31 March 1997 or 31 March 1996.