

ARDNAW FARMS LIMITED

REPORT AND ACCOUNTS

31 October 1995

Registered Number : SC 127815



Directors' Report

The directors present their report and accounts for the year ended 31 October 1995.

Results and Dividends

The trading profit for the year, after taxation, amounted to £2,838. The directors do not recommend the payment of a dividend and the balance of profit will be retained.

Review of the Business

The company's principal activity during the year was farming and it is intended to continue this activity during the current year.

Directors and their Interests

The directors during the period were as follows:

D H Rogers

D Rogers

Neither director had any interest in the ordinary shares which are all held by the parent company.

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for 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 those accounts, the directors are required to:

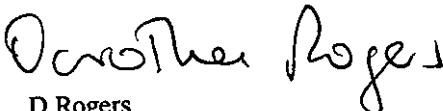
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Geoghegan & Co have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

By order of the Board



D Rogers
Secretary

28 August 1996

We have audited the accounts on pages 3 to 5, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 October 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Geoghegan & Co.

Geoghegan & Co
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

28 August 1996

ARDNAW FARMS LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 October 1995

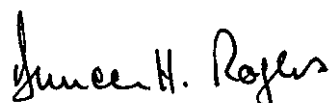
	<i>Notes</i>	<i>1995</i> £	<i>1994</i> £
Turnover	2	72,363	55,446
Cost of sales		<u>62,182</u>	<u>44,274</u>
		10,181	11,172
Administration expenses		<u>6,397</u>	<u>6,484</u>
Profit on Ordinary Activities before Taxation	3	3,784	4,688
Tax on profit on ordinary activities	4	<u>(946)</u>	<u>(1,172)</u>
Profit for the Financial Year		2,838	3,516
Retained profit brought forward		<u>26,852</u>	<u>23,336</u>
Retained Profit Carried Forward		<u>£29,690</u>	<u>£26,852</u>

There are no gains and losses for the year other than those already dealt with in the profit and loss account.

ARDNAW FARMS LIMITED**BALANCE SHEET**

at 31 October 1995

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
Current Assets			
Stocks - goods for resale		<u>53,390</u>	<u>43,265</u>
Creditors: amounts falling due within one year			
Current taxation		946	1,172
Amounts due to parent company		<u>22,752</u>	<u>15,239</u>
		<u>23,698</u>	<u>16,411</u>
Net Assets		<u>£29,692</u>	<u>£26,854</u>
Capital and Reserves			
Called up share capital	5	2	2
Profit and loss account		<u>29,690</u>	<u>26,852</u>
Equity Shareholders' Funds		<u>£29,692</u>	<u>£26,854</u>



D Rogers

Director

28 August 1996

NOTES TO THE ACCOUNTS

at 31 October 1995

1 Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Stocks

Stocks are stated at the lower of cost or net realisable value as follows:

Goods for resale - purchase cost on a first-in first out basis.

2 Turnover

Turnover represents the sale of goods together with any subsidies relating thereto.

3 Profit on Ordinary Activities before Taxation

a)	This is stated after charging:	1995 £	1994 £
	Director's remuneration	-	-
	Auditors' remuneration	<u>250</u>	<u>250</u>
b)	Staff costs		
	Wages and salaries	20,732	21,153
	Social security costs	<u>2,070</u>	<u>1,923</u>
		<u>£22,802</u>	<u>£23,076</u>

The average weekly number of employees during the year was 3 (1994: 3).

4 Tax on Profit on Ordinary Activities

Based on profit for the year	1995	1994
Corporation tax at 25%	£ <u>946</u>	£ <u>1,172</u>

5 Share Capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1995	1994	1995	1994
	No	No	£	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>2</u>	<u>2</u>

6 Movement in Shareholders' Funds

	1995	1994
Shareholders' funds at the start of the year	26,854	23,338
Total recognised gains and losses	<u>2,838</u>	<u>3,516</u>
Shareholders' funds at the end of the year	<u>£29,692</u>	<u>£26,854</u>

7 Ultimate Holding Company

The company's ultimate holding company is Ellary Farms Limited, a company registered in Scotland.

ARDNAW FARMS LIMITED
DETAILED TRADING ACCOUNT
for the year to 31 October 1995

	£	£	1995 £	1994 £
Turnover				
Sale of sheep and cattle			32,010	22,837
Subsidies			37,291	28,216
Wool			<u>3,062</u>	<u>4,392</u>
			72,363	<u>55,445</u>
Cost of Sales				
Purchases		28,061		5,752
Decrease in stock		<u>(10,125)</u>		<u>(5,465)</u>
			17,936	<u>287</u>
Gross Profit			54,427	<u>55,158</u>
Direct Expenses				
Carriage		2,719		939
Feeding		6,780		6,937
Dogfood		445		505
Winterings		4,987		5,092
Vet and medicines		4,928		5,232
Fertilisers and re-seeding		(222)		515
Wages and salaries		22,802		23,076
Upkeep of equipment		<u>1,807</u>		<u>1,688</u>
		44,246		<u>43,987</u>
Overheads				
Audit and accounting	286			500
Rates and electricity and property expenses	5,518			5,181
Telephone miscellaneous	<u>593</u>			<u>801</u>
		<u>6,397</u>		<u>6,483</u>
			50,643	<u>50,470</u>
Net Profit for Year			£ <u>3,784</u>	£ <u>4,687</u>