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**FOX'S SPICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

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**FOX'S SPICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

AUDITORS REPORT TO THE DIRECTORS OF FOX'S SPICES LIMITED

We have examined the abbreviated accounts set out on pages 3 to 7 together with the financial statements of the company for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and 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 to 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the companies Act 1985, and the abbreviated accounts on pages 3 to 7 are properly prepared in accordance with those provisions.

1 - 4 College Yard
Worcester

Date: 26.10.99.



Rabjohns
Registered Auditor

FOX'S SPICES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

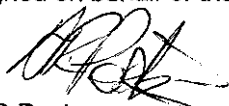
ABBREVIATED BALANCE SHEET

	Notes	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	2.		424,982		444,893
Investments	3.		8		8
			<u>424,990</u>		<u>444,901</u>
Current assets					
Stock		30,569		31,274	
Debtors		77,547		104,590	
Cash at bank and in hand		<u>253,902</u>		<u>215,246</u>	
		<u>362,018</u>		<u>351,110</u>	
Creditors: Amounts falling due within one year		<u>299,547</u>		<u>311,500</u>	
Net current assets /(liabilities)			<u>62,471</u>		<u>39,610</u>
Total net assets			<u>487,461</u>		<u>484,511</u>
Capital and reserves					
Called up share capital	4.		50,000		50,000
Profit and loss account			<u>437,461</u>		<u>434,511</u>
Shareholders' funds			<u>487,461</u>		<u>484,511</u>

Shareholders' funds are all attributable to equity shareholders.

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

Signed on behalf of the Board



A R Pester
 Director

Date: 26 October 1999

The notes on pages 4 to 7 form part of these accounts.

**FOX'S SPICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

NOTES TO THE ABBREVIATED ACCOUNTS

1. Accounting policies

1a. Basis of accounting

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

1b. Tangible fixed assets

Fixed assets are shown at historical cost. Depreciation is provided at the following rates in order to write off each asset over its estimated useful life on a straight line basis.

Freehold buildings	- over 50 years
Motor vehicles	- over 5 years
Fixtures and fittings	- over 8 years
Plant and equipment	- over 8 years

1c. Investments

Fixed asset investments are shown at cost less amounts written off. Provisions are made for temporary fluctuations in value.

1d. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed in a first-in, first-out basis. Net realisable value is based upon estimated selling price less the estimated selling costs.

1e. Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that the liabilities are likely to crystallise in the near future.

1f. Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an administered fund. The pension costs are charged to the profit and loss account as they are incurred.

1g. Foreign currency

Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date; other assets are translated at the rate of exchange as at the date of the transaction. Profits and losses on translation and conversion are included as part of the results from ordinary activities for the year.

**FOX'S SPICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

NOTES TO THE ABBREVIATED ACCOUNTS

1. Accounting policies continued

1h. Consolidation and group accounts

The company has claimed the exemption conferred by Section 248 of the Companies Act 1985, from preparing group accounts.

1i. Cash Flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

1j. Capital instruments

Financial Reporting Standard No 4 has been adopted in the preparation of these accounts. Capital instruments are accounted for and classified as equity or non-equity share capital, or debt, according to their form.

FOX'S SPICES LIMITED
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NOTES TO THE ABBREVIATED ACCOUNTS

2. Tangible fixed assets

	Total
Cost	£
At 1 January 1998	637,830
Additions	10,000
Disposals	<u>(10,100)</u>
At 31 December 1998	<u>637,730</u>
 Depreciation	
At 1 January 1998	192,937
Charge for the year	29,911
Disposals	<u>(10,100)</u>
At 31 December 1998	<u>212,748</u>
 Net book value	
At 31 December 1998	<u>424,982</u>
 <i>At 31 December 1997</i>	 <u>444,893</u>

3. Fixed asset investments

	Group companies	Total
Cost or valuation	£	£
At 1 January 1998 and 31 December 1998	<u>8</u>	<u>8</u>

The company holds more than 10% of the equity in the following companies:

Name	Country of registration	Holding	Proportion held
Mr Fox's Spice Shops Ltd	England	2 ordinary £1 shares	100%
Fox's Spices Franchising Ltd	England	2 ordinary £1 shares	100%
Fox's Peppermills Ltd	England	2 ordinary £1 shares	100%
Mr Fox's Spices Ltd	England	2 ordinary £1 shares	100%

With the exception of Fox's Spices Franchising Limited the subsidiary companies had not commenced to trade as at 31 December 1998.

The principal activity of Fox's Spices Franchising Limited is the sale of herbs, spices and seasonings, sauces, chutneys, purees, mustards and various "wet" mixes under franchise contracts. At 31 December 1998 the balance sheet of the company had total net assets of £2.

FOX'S SPICES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

NOTES TO THE ABBREVIATED ACCOUNTS

4. Share capital

	1998	1997
	£	£
Authorised:		
50,000 ordinary shares of £1 each	50,000	50,000
Issued:		
50,000 ordinary shares of £1 each	50,000	50,000

5. Transactions with directors and related parties

Included within debtors are amounts due to the company from its trading subsidiary as follows:

	1998	1997
	£	£
Amount due from group company	13,575	38,746

Included within creditors are amounts due from the company to its directors as follows:

	1998	1997
	£	£
M W Pester and Mrs F Pester	64,913	61,656
Mrs F Pester	53,343	52,505
A R Pester	110,724	102,498

The movement on the balances due to directors during the year to 31 December 1998 comprise the following:

	M W Pester £	Mrs F Pester £	A R Pester £
Personal drawings	(4,177)	(4,479)	(4,908)
Business expenses	7,434	5,317	13,134
	3,257	838	8,226
Balance brought forward	61,656	52,505	102,498
Balance carried forward	64,913	53,343	110,724

During the year the company made sales with a total net value of £206,272 to its wholly owned subsidiary company, Fox's Spices Franchising Limited. This amount related wholly to stock sales and recharged exhibition expenses.

The company entered into no other transactions with group companies during the year.