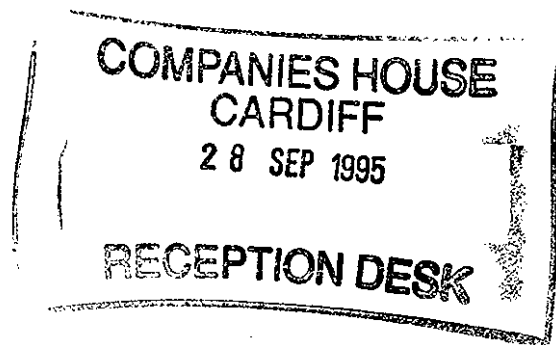


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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995
FOR
HIGH LARCHES LIMITED



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COMPANY INFORMATION

DIRECTORS: Mr P Rouse
Mrs M Ward
Mrs C E Krafft
Mr L Ward
Mr R C Krafft
Mr S Rouse

SECRETARY: Mrs C E Krafft

REGISTERED OFFICE: High Larches
Farm Shire Lane
Farnborough
Kent BR6 7HH

REGISTERED NUMBER: 996839

AUDITORS: James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire

HIGH LARCHES LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31 March 1995.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of Boarding Kennels and the letting of Furnished Property.

FIXED ASSETS

The Company spent f11,394 improving the condition of the Leasehold Properties during the year.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

Name	Class of Capital	31. 3.95	1. 4.94
Mr P Rouse	Ordinary fl	10	10
Mrs M Ward	Ordinary fl	5	5
Mrs C E Krafft	Ordinary fl	5	5
Mr L Ward	Ordinary fl	2	2
Mr R C Krafft	Ordinary fl	3	3
Mr S Rouse		—	—

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, James & Cowper, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

HIGH LARCHES LIMITED

REPORT OF THE DIRECTORS

In preparing this report, the directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD:

Secretary *C E Krafft*

Mrs C E Krafft

Dated: 8 September 1995

HIGH LARCHES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
HIGH LARCHES LIMITED

We have audited the financial statements on pages five to ten which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page two 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

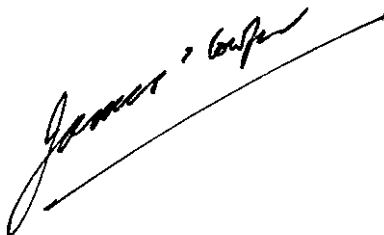
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire



Dated: 8 September 1995

HIGH LARCHES LIMITED

PROFIT AND LOSS ACCOUNT for the Year Ended 31 March 1995

		1995	1994
	Notes	£	£
TURNOVER	2	177,219	175,917
Cost of Sales		66,782	67,150
GROSS PROFIT		110,437	108,767
Administrative Expenses		102,638	90,411
OPERATING PROFIT	3	7,799	18,356
Interest Payable and Similar Charges		4	73
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,795	18,283
Tax on Profit on Ordinary Activities	4	1,970	5,978
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		5,825	12,305
Retained Profit brought forward		35,813	23,508
RETAINED PROFIT CARRIED FORWARD		£41,638	£35,813

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

HIGH LARCHES LIMITED

BALANCE SHEET
As at 31 March 1995

		1995		1994	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible Assets	5		33,479		30,364
CURRENT ASSETS:					
Debtors	6	5,509		9,434	
Cash at Bank and In Hand		13,664		8,938	
		<u>19,173</u>		<u>18,372</u>	
CREDITORS: Amounts falling due within one year	7	<u>10,914</u>		<u>12,823</u>	
NET CURRENT ASSETS:			<u>8,259</u>		<u>5,549</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£41,738</u>		<u>£35,913</u>
CAPITAL AND RESERVES:					
Called Up Share Capital	9		100		100
Profit & Loss Account			41,638		35,813
Shareholders' Funds	11		<u>£41,738</u>		<u>£35,913</u>

In preparing these financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

..... *M. Ward*
DIRECTOR

Approved by the Board on *8 Sept '95*

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Property	over the duration of the lease
Plant & Machinery	15% reducing balance
Fixtures & Fittings	15% reducing balance
Motor Vehicles	25% reducing balance

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire Purchase and Leasing Commitments

Rentals paid under operating leases are charged to income as incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by principal activity is given below:

	1995	1994
	£	£
Kennels	108,170	105,775
Property Letting	69,049	70,142
	<hr/>	<hr/>
	177,219	175,917
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995

3. OPERATING PROFIT

The operating profit is stated after charging:

	1995	1994
	£	£
Depreciation – Owned Assets	8,279	6,095
Auditors' Remuneration	3,000	3,000
	<u> </u>	<u> </u>
Directors' Emoluments	42,932	42,146
	<u> </u>	<u> </u>

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1995	1994
	£	£
Based on the adjusted results of the year:		
UK Corporation Tax	1,970	5,978
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 25% (1994 – 25%).

5. TANGIBLE FIXED ASSETS

	Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Totals
	£	£	£	£	£
COST:					
As at 1 April 1994	39,495	8,540	2,574	1,750	52,359
Additions	11,394	–	–	–	11,394
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March 1995	50,889	8,540	2,574	1,750	63,753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:					
As at 1 April 1994	12,053	6,012	2,356	1,574	21,995
Charge for Year	9,305	380	(1,450)	44	8,279
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March 1995	21,358	6,392	906	1,618	30,274
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:					
As at 31 March 1995	£29,531	£2,148	£1,668	£132	£33,479
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March 1994	£27,442	£2,528	£218	£176	£30,364
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995

6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1995 £	1994 £
Trade Debtors	—	1,000
Other Debtors	3,295	3,344
Prepayments & Accrued Income	2,214	5,090
	<u>5,509</u>	<u>9,434</u>

7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1995 £	1994 £
Other Creditors	—	570
Other Taxes & Social Security	4,200	3,135
Taxation	1,969	5,978
Accrued Expenses	4,745	3,140
	<u>10,914</u>	<u>12,823</u>

8. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

The following payments are committed to be paid within one year:

	Land and Buildings Operating Leases	1995 £	1994 £
Expiring: In over five years		<u>2,050</u>	<u>2,050</u>

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:			1995	1994
Number:	Class:	Nominal Value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995

10. TRANSACTIONS WITH DIRECTORS

During the year the Company entered into the following arrangements in which the Directors and other connected persons had an interest.

- i) The Company rented the following properties at a total nominal annual rental of £2050 from High Larches Discretionary Trust:
 - Flats 1-5 57 Old Dover Road
 - Flats 1-5 59 Old Dover Road
 - Flats 1-9 12 Tankerton Road
 - High Larches Farm Shire Lane Farnborough
- ii) Subletting part of High Larches Farm to director Mrs M Ward trading as Tubbenden Dogs for an annual rental of £1000
- iii) Subletting part of High Larches Farm to director Mrs C E Krafft for an annual rental of £1000

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995	1994
	£	£
Profit for the Financial Year	5,825	12,305
NET ADDITION TO SHAREHOLDERS' FUNDS	5,825	12,305
Opening Shareholders' Funds	35,913	23,608
CLOSING SHAREHOLDERS' FUNDS	41,738	35,913
Equity interests	41,738	35,913