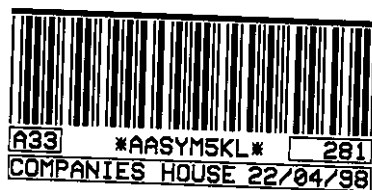


Company no. 1465102

RICHARD BATTERSBY (CORN MERCHANTS)
LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1997



AUDITORS' REPORT TO THE DIRECTORS OF

RICHARD BATTERSEY (CORN MERCHANTS) LIMITED PURSUANT TO PARAGRAPH 24
OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 7 together with the financial statements of Richard Battersby (Corn Merchants) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report in the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1997, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

Other information

On...^{9th April 1998}...we reported, as auditors of Richard Battersby (Corn Merchants) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1997 and our report was as follows:

"We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7 and 8.

AUDITORS' REPORT TO THE DIRECTORS OF

RICHARD BATTERSBY (CORN MERCHANTS) LIMITED PURSUANT TO PARAGRAPH 24
OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

9th April 1998

Tower House
269 Walmersley Road Bury Lancashire BL9 6NX



HORSFIELD & SMITH
Registered Auditor
Chartered Accountants

RICHARD BATTERSBY (CORN MERCHANTS)
LIMITED

BALANCE SHEET

31ST DECEMBER 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Intangible assets	2	900	1,200
Tangible assets	3	<u>59,726</u>	<u>53,680</u>
		60,626	<u>54,880</u>
CURRENT ASSETS			
Stocks		24,358	23,173
Debtors due within one year		43,308	47,004
Cash at bank and in hand		<u>16,917</u>	<u>17,089</u>
		84,583	<u>87,266</u>
CREDITORS: Amounts falling due within one year	4	(<u>109,328</u>)	(<u>118,562</u>)
NET CURRENT LIABILITIES		(<u>24,745</u>)	(<u>31,296</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES		35,881	23,584
CREDITORS: Amounts falling due after more than one year	5	(<u>5,667</u>)	(<u>3,588</u>)
		<u>30,214</u>	<u>19,996</u>
CAPITAL AND RESERVES			
Called-up share capital	6	5,000	5,000
Profit and loss account		<u>25,214</u>	<u>14,996</u>
Shareholders' funds		<u>30,214</u>	<u>19,996</u>

Statement by the directors

In preparing these financial statements, we rely on sections 246 and 247 of the Companies Act 1985 as entitling us to deliver abbreviated financial statements and we do so on the grounds that this company is entitled to the benefit of those sections as a small company.

Approved by the board on: 8th April 1998

.....
R M H Purser
(Director)

The notes set out on pages 4 to 7 form part of these financial statements

RICHARD BATTERSBY (CORN MERCHANTS)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

1 ACCOUNTING POLICIES

(a) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Alterations to landlords property	- 4 % per annum straight line method
Motor vehicles	- 25 % per annum reducing balance method
Plant and machinery	- 10 % per annum straight line method
Office equipment	- 15 % per annum straight line method

The cost or valuation, less estimated residual values, of intangible fixed assets is amortised over their estimated useful lives to the business. The rates and methods used are as follows:

Goodwill	- 20% per annum
----------	-----------------

(b) Deferred taxation

Provisions are made so that the deferred taxation account represents corporation tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Debtors

Known bad debts are written off and provision is made for any considered to be doubtful.

RICHARD BATTERSBY (CORN MERCHANTS)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

(e) Assets leased

Where the company enters into operating and/or finance leases, its policy is to regard leases as finance leases where their terms give rights approximating to ownership.

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life; in the case of assets held under hire purchase agreements they are depreciated over their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

Rentals under operating leases are charged on a straight-line basis over the lease term.

2 INTANGIBLE FIXED ASSETS

	Goodwill
COST	£
At 1st January 1997	1,500
At 31st December 1997	<u>1,500</u>
AMORTISATION	
At 1st January 1997	300
Charge for the year	<u>300</u>
At 31st December 1997	<u>600</u>
NET BOOK VALUE	
At 31st December 1997	<u>900</u>
At 31st December 1996	<u>1,200</u>

RICHARD BATTERSBY (CORN MERCHANTS)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

3 TANGIBLE FIXED ASSETS

	Alterations to landlords property	Motor vehicles	Plant and machinery	Office equipment	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 1997	46,498	12,500	129,773	12,227	200,998
Additions at cost	-	11,500	690	-	12,190
Applicable to disposals	-	-	(1,000)	-	(1,000)
At 31st December 1997	<u>46,498</u>	<u>24,000</u>	<u>129,463</u>	<u>12,227</u>	<u>212,188</u>
DEPRECIATION					
At 1st January 1997	12,186	2,865	124,575	7,693	147,319
Charge for the year	1,860	1,836	1,063	1,384	6,143
Released by disposals	-	-	(1,000)	-	(1,000)
At 31st December 1997	<u>14,046</u>	<u>4,701</u>	<u>124,638</u>	<u>9,077</u>	<u>152,462</u>
NET BOOK VALUE					
At 31st December 1997	<u>32,452</u>	<u>19,299</u>	<u>4,825</u>	<u>3,150</u>	<u>59,726</u>
At 31st December 1996	<u>34,312</u>	<u>9,635</u>	<u>5,199</u>	<u>4,534</u>	<u>53,680</u>

Details of fixed assets held under finance leases and hire purchase contracts included in the above are as follows:

	Alterations to landlords property	Motor vehicles	Plant and machinery	Office equipment	Total
	£	£	£	£	£
1997					
Net book value	<u>-</u>	<u>11,500</u>	<u>-</u>	<u>-</u>	<u>11,500</u>
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1996					
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 CREDITORS: Amounts falling due within one year	1997	1996
	£	£
The following secured amounts fall due within one year:		
Bank loans and overdrafts:		
Secured by a mortgage debenture over the company's assets	48,747	34,441
Hire purchase instalments:		
secured on the assets concerned	<u>2,833</u>	<u>-</u>
	<u>51,580</u>	<u>34,441</u>

RICHARD BATTERSBY (CORN MERCHANTS)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

5 CREDITORS: Amounts falling due after
more than one year

	1997 £	1996 £
Amounts payable by instalments:		
Bank loans-		
Between one and two years	<u>-</u>	<u>3,588</u>
	1997 £	1996 £
The following secured amounts fall due after more than one year:		
Bank loans:		
Secured by a mortgage debenture over the company's assets	-	3,588
Hire purchase instalments:		
secured on the assets concerned	<u>5,667</u>	<u>-</u>
	<u>5,667</u>	<u>3,588</u>

6 SHARE CAPITAL

	Number 1997	Value 1997 £	Number 1996	Value 1996 £
Authorised:				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Issued and fully paid:				
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>