

BURGON AND BALL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

Company Number: 2074260

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AUDITORS' REPORT TO BURGON AND BALL LIMITED

(pursuant to section 247B of the Companies Act 1985)

We have examined the abbreviated accounts on pages 2 to 6 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1997.

Respective responsibilities of directors and auditors

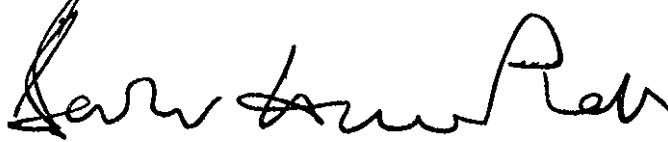
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

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 deliver abbreviated accounts 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 on the full financial statements.

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 2 to 6 are properly prepared in accordance with those provisions.



BARBER HARRISON & PLATT

Chartered Accountants and
Registered Auditors

Sheffield
15 April 1998

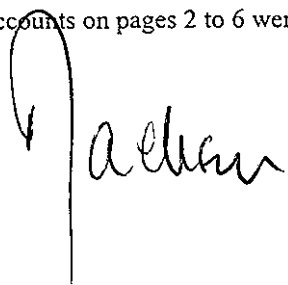
BURGON AND BALL LIMITED**ABBREVIATED BALANCE SHEET****AS AT 31 DECEMBER 1997**

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
Assets employed			
Fixed assets			
Intangible assets	(2)	50,511	54,711
Tangible assets	(3)	418,336	354,223
Investments	(4)	5,000	5,000
		<u>473,847</u>	<u>413,934</u>
Current assets			
Stocks		189,592	102,601
Debtors		147,845	144,017
Cash at bank and in hand		3,983	3,346
		<u>341,420</u>	<u>249,964</u>
Creditors: amounts falling due within one year	(5)	<u>179,103</u>	<u>129,275</u>
Net current assets		<u>162,317</u>	<u>120,689</u>
Total assets less current liabilities		<u>636,164</u>	<u>534,623</u>
Creditors: amounts falling due after more than one year	(5)	<u>181,216</u>	<u>215,057</u>
Capital and reserves			
Called up share capital	(6)	101,000	101,000
Revaluation reserve		97,897	100,200
Profit and loss account		<u>256,051</u>	<u>118,366</u>
Shareholders' funds		<u>454,948</u>	<u>319,566</u>
		<u>636,164</u>	<u>534,623</u>

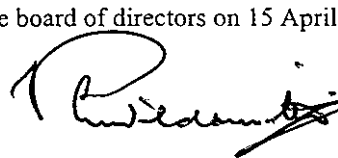
The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts on pages 2 to 6 were approved by the board of directors on 15 April 1998 and signed on its behalf by:

P Jackson



Directors



P A Wildsmith

BURGON AND BALL LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 1997****1. Accounting policies****(a) Accounting convention**

The accounts are prepared under the historical cost convention, modified by the revaluation of certain fixed assets. The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about the group.

(b) Turnover

Represents invoiced sales, excluding value added tax.

(c) Goodwill

Goodwill represents that portion of the purchase price of the sheep shear business which is in excess of the purchase value of individual categories of assets plus acquisition costs.

It is being amortised through the profit and loss account in equal annual instalments over its estimated economic life of 20 years.

(d) Depreciation

Depreciation is provided on all fixed assets, at rates calculated to write off the cost less estimated residual value, on the straight line method, over the estimated useful life of each asset as follows:

Freehold, land and buildings	-	2% per annum
Motor vehicles	-	33% per annum
Plant and machinery	-	rates varying between 5 & 20 years
Fixtures, fittings and office equipment	-	20% per annum

(e) Stocks

Stocks are valued consistently at the lower of cost and net realisable value. Cost includes production overhead appropriate to the stage of production reached and net realisable value is the price at which the stock could be realised in the normal course of business. Provision is made for obsolete, slow moving and defective stock.

(f) Deferred taxation

Provision is made for deferred taxation using the liability method on all timing differences, to the extent that it is probable that the liability will crystallise.

BURGON AND BALL LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued****YEAR ENDED 31 DECEMBER 1997****1. Accounting policies - continued****(g) Leasing and hire purchase commitments**

Assets obtained under the finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

(h) Government grants

Government grants in respect of expenditure on fixed assets are credited to a deferred income account from which amounts are released to profit over the expected useful lives of the relevant assets, by equal annual instalments.

(i) Pensions costs

The costs of providing pensions are charged to the profit and loss account as incurred.

(j) Foreign exchange differences

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the date of the transaction.

All differences are taken to the profit and loss account.

2. Intangible assets

	<u>Goodwill</u>
	£
Cost	
At 1 January 1997 and 31 December 1997	88,808
Amortisation	
At 1 January 1997	34,097
Provided during the year	4,200
At 31 December 1997	38,297
Net book value	
At 31 December 1997	50,511
At 31 December 1996	54,711

BURGON AND BALL LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued****YEAR ENDED 31 DECEMBER 1997****3. Tangible fixed assets**

Cost/valuation	<u>Total</u> £
At 1 January 1997	702,073
Additions	4,925
Disposals	(8,995)
At 31 December 1997	<u>698,003</u>
 Depreciation	
At 1 January 1997	347,850
Revision of useful lives	(101,721)
Charge for the year	42,533
Disposals	(8,995)
At 31 December 1997	<u>279,667</u>
 Net book value	
At 31 December 1997	<u>418,336</u>
 At 31 December 1996	<u>354,223</u>

4. Investments - shares in subsidiary undertaking**1997**
£**Cost****At 1 January 1997 and 31 December 1997****5,000**

The investment represents 5,000 ordinary shares of £1 each in the Bay Tree Trading Company Limited, a 90.9% holding of the issued share capital of the company.

The Bay Tree Trading Company Limited is a company registered and operating in England. Its principal activity is the sale of garden and household equipment by mail order.

The aggregate amount of the investment of the company in its subsidiary, calculated under the equity method of valuation, is **£Nil** (1996: **£Nil**).

The net deficiency of capital and reserves of The Bay Tree Trading Company Limited at 31 December 1997 was **£44,467** (1996: **£52,626**), and its profit for the year ended 31 December 1997 was **£8,159** (1996: loss **£2,979**).

BURGON AND BALL LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued****YEAR ENDED 31 DECEMBER 1997****5. Creditors**

Included within creditors are amounts totalling £166,045 (1996: £197,835) which are secured on the assets of the company.

Creditors due after more than one year includes £84,830 (1996: £81,162) in respect of amounts falling due after more than five years. These amounts are repayable by instalments.

6. Called up share capital	<u>1997</u> £	<u>1996</u> £
Authorised		
Ordinary shares of £1 each	<u>148,148</u>	<u>148,148</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>101,000</u>	<u>101,000</u>