

ENFIELD BEEF COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 1997



ENFIELD BEEF COMPANY LIMITED

31 MARCH 1997

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ENFIELD BEEF COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

**John Slinger
Thomas Slinger**

SECRETARY

Thomas Slinger

REGISTERED OFFICE

**Wood Street
Great Harwood
Blackburn
Lancashire
BB6 7UD**

AUDITORS

**Pierce
Chartered Accountants
Thompson House
4-6 Richmond Terrace
Blackburn
Lancashire
BB1 7AU**

BANKERS

**Yorkshire Bank plc
40 Church Street
Blackburn
Lancashire
BB1 5AW**

SOLICITORS

**Ramsbottom & Co
25-29 Victoria Street
Blackburn
Lancashire
BB1 6DN**

COMPANY NUMBER

~~2584919~~ 2578411

DATE OF INCORPORATION

22 February 1991 (In England)

ENFIELD BEEF COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and the audited financial statements for the period 1 January 1996 to 31 March 1997.

ACTIVITIES

The principal activity of the company during the period was the wholesale distribution of beef. The Company ceased to trade in March 1996 due to the export ban imposed by the EC after the BSE 'scare'.

DIRECTORS

The directors who served during the period and their beneficial interest in the company's issued ordinary share capital were:

£1 Ordinary Shares

	Shares held in Holding Company		Shares held in the Company	
	End of Period	Start of Period	End of Period	Start of Period
John Slinger	62,001	62,001	NIL	NIL
Thomas Slinger	62,001	62,001	NIL	NIL

None of the directors had any material interest in any contract or arrangements entered into by the company during the period

DIRECTORS' SHAREHOLDINGS

Messrs John Slinger and Thomas Slinger are Directors of E Slinger & Sons Limited of which the company is a wholly owned subsidiary. The above named directors held at 31 March 1997, joint ownership of one ordinary share of £1.00 in the company as nominees for E Slinger & Sons Limited.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 judgements 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

ENFIELD BEEF COMPANY LIMITED

REPORT OF THE DIRECTORS (Continued)

DIRECTORS' RESPONSIBILITIES (Continued)

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.

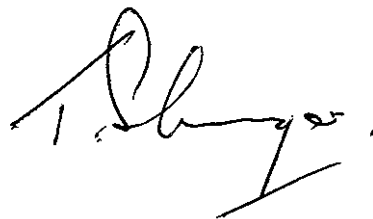
AUDITORS

A resolution to re-appoint Messrs. Pierce, Chartered Accountants as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 17 October 1997, taking advantage of special provisions of Part VII of the Companies Act 1985 relating to small companies.

THOMAS SLINGER

SECRETARY

A handwritten signature in black ink, appearing to read 'T. Slinger', written over a horizontal line.



PIERCE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS OF

ENFIELD BEEF COMPANY LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the accounting policies on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 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.

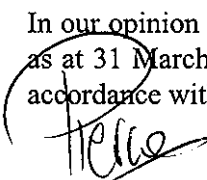
Basis of Opinion

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 director 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 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PIERCE
Registered Auditors and
Chartered Accountants

17 October 1997
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ENFIELD BEEF COMPANY LIMITED**PROFIT AND LOSS ACCOUNT FOR THE PERIOD
1 JANUARY 1996 TO 31 MARCH 1997**

	NOTES	(15 Months) 1997 £	(12 Months) 1995 £
TURNOVER	2	228,163	191,712
COST OF SALES		<u>197,247</u>	<u>180,712</u>
GROSS PROFIT	3	30,916	11,000
ADMINISTRATIVE EXPENSES		<u>418</u>	<u>688</u>
OPERATING PROFIT	4	30,498	10,312
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	<u>8,700</u>	<u>2,592</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		21,798	7,720
DIVIDENDS PAID	6	<u>0</u>	<u>30,481</u>
RETAINED PROFIT/(LOSS) for the period / year	10	<u>21,798</u>	<u>(22,761)</u>

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

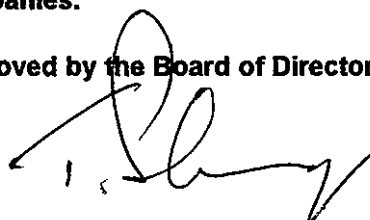
ENFIELD BEEF COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	NOTES	1997 £	31 December 1995 £
CURRENT ASSETS			
Debtors	7	50,112	30,436
Cash at Bank		<u>0</u>	<u>0</u>
		50,112	30,436
Creditors: Amounts due within one year	8	<u>(22,384)</u>	<u>(24,506)</u>
NET CURRENT ASSETS		<u>27,728</u>	<u>5,930</u>
NET ASSETS		<u><u>27,728</u></u>	<u><u>5,930</u></u>
CAPITAL AND RESERVES			
Called Up Share Capital	9	100	100
Profit and Loss Account	10	<u>27,628</u>	<u>5,830</u>
SHAREHOLDERS' FUNDS	11	<u><u>27,728</u></u>	<u><u>5,930</u></u>

The directors have taken advantage, in the preparation of the Financial Statements, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 17 October 1997 and signed on its behalf.



T Slinger
Director

The notes on pages 6 to 9 form part of these financial statements.

ENFIELD BEEF COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 1997

1) ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

a) Cash Flow Statement

The Directors have taken advantage of the exemptions available under Financial Reporting Standard Number 1 "cash flow statements" and have not prepared a cash flow statement.

b) Deferred Taxation

Deferred taxation is provided on the liability method in respect of all material timing differences which are expected to reverse in the foreseeable future.

c) Post Balance Sheet Events

Events relating to the period ended 31 March 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the financial statements to the extent required by Statement of Standard Accounting Practice No. 17.

2) TURNOVER

The company's turnover is comprised as follows:

	(15 Months) 1997	(12 Months) 1995
	£	£
IBAP Refunds received	219,163	191,712
Sale of Gatt Licence	9,000	0
	<u>228,163</u>	<u>191,712</u>

Refunds received from the UK Intervention Board for Agricultural Produce are in respect of Export sales secured for the company by a fellow subsidiary company. The Company's GATT (General Agreement on Tariff and Trade) licence rights were sold in the period to the same fellow subsidiary company at a value determined by the directors. The licence rights allow the holder to import, up to a certain level, beef from outside the EC levy-free. The rights were acquired by virtue of previous exports being made outside the EC.

3) GROSS PROFIT

Gross Profit represents the directors' opinion of the financial benefit to the company from turnover attained in the year.

4) OPERATING (LOSS)/PROFIT

Operating (Loss)/Profit is stated after charging:

Auditors' Remuneration	<u>300</u>	<u>150</u>
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ENFIELD BEEF COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 MARCH 1997 (CONTINUED)**

	(15 Months) 1997 £	(12 Months) 1995 £
5) TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES		
Provision for Corporation Tax based upon results for the period/year at 25% (1995 25%)	<u>8,700</u>	<u>2,592</u>
6) DIVIDENDS		
Dividends Paid of £ nil per share (net) (1995 - £304.81 per share)	<u>0</u>	<u>30,481</u>
	1997 £	31 December 1995 £
7) DEBTORS		
Amounts due from Group Companies	50,112	30,323
Other Debtors	<u>0</u>	<u>113</u>
	<u>50,112</u>	<u>30,436</u>
Other debtors relate to refunds from the U K Intervention Board for Agricultural Produce		
8) CREDITORS - Amounts due within one year		
Bank Overdraft	417	8,981
Amount due to Group Companies	10,340	10,161
Corporation Tax	11,293	4,907
Accruals	<u>334</u>	<u>457</u>
	<u>22,384</u>	<u>24,506</u>
9) SHARE CAPITAL		
Authorised:		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and Fully Paid:		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

ENFIELD BEEF COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 1997 (CONTINUED)

	1997 £	1995 £
10) PROFIT AND LOSS ACCOUNT		
At 1 January 1996	5,830	28,591
Profit/Loss for the period / year	<u>21,798</u>	<u>(22,761)</u>
At 31 March 1997	<u>27,628</u>	<u>5,830</u>

11) RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the period / year	21,798	7,720
Dividends Paid	<u>0</u>	<u>(30,481)</u>
	21,798	(22,761)
Shareholders' Funds at 1 January 1996	<u>5,930</u>	<u>28,691</u>
Shareholders' Funds at 31 March 1997	<u>27,728</u>	<u>5,930</u>

12) CAPITAL COMMITMENTS

There were no material capital commitments at the financial period end.

13) CONTINGENT LIABILITIES

The company has given a debenture to the Yorkshire Bank plc of Merriam Way, Leeds in respect of all monies falling due to the Bank by the company and by a number of fellow subsidiary companies, and by the company's parent company. The Debenture creates both a fixed and floating charge over the assets of the company.

The company is party to a blanket Indemnity of £1,600,000 from the Company's bankers, Yorkshire Bank plc, to the favour of the Intervention Board for Agricultural Produce. Under the terms of the indemnities, Yorkshire Bank plc undertake to indemnify the third party against any financial loss which might result from the company failing to fulfil its obligations in connection with transactions concerning the exportation of meat. In all cases the Bank holds a contra indemnity from the company which is supported by the security for other borrowings.

In respect of all such indemnified transactions, the company maintains a marine insurance policy which covers the indemnities provided. The interests of Yorkshire Bank plc are noted on the policy.

ENFIELD BEEF COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 MARCH 1997 (CONTINUED)**

14) RELATED PARTY TRANSACTIONS

The ultimate controlling parties are John and Thomas Slinger, directors of the company, who hold jointly the entire issued share capital of this company's holding company, E Slinger & Sons Limited, in equal proportions.

As explained in note 2 to these Financial Statements, the company turnover comprises refunds received from the UK Intervention Board for Agricultural Produce which are in respect of export sales secured for the company by a fellow subsidiary company.

All the purchases of the company are from a fellow subsidiary - Great Harwood Food Products Limited - at values determined by the directors to ensure a gross profit which is considered by the directors to represent a fair reflection of financial benefit to the company by virtue of the turnover achieved in the period as stated in note 3 to these Financial Statements.