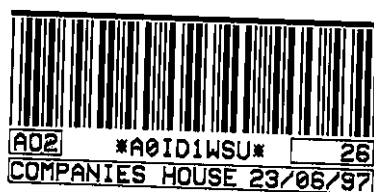


2820029 (England and Wales)

The Redwood Wholefood Company Limited

Abbreviated Accounts

for the year ended 30th September 1996



The Redwood Wholefood Company Limited

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The Redwood Wholefood Company Limited

**Auditors' Report to The Redwood Wholefood Company Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of The Redwood Wholefood Company Limited prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1996.

Respective responsibilities of the director and auditors

The director is 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 director's 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 on 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 30th September 1996, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 18th June 1997 we reported, as auditors of The Redwood Wholefood Company Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1996, and our audit report was as follows:

'We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is 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.

The Redwood Wholefood Company Limited

**Auditors' Report
to the shareholders of The Redwood Wholefood Company Limited**

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is 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 30th September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Carter Backer Winter

**Chartered Accountants
Registered Auditor**



18th June 1997

Hill House
Highgate Hill
London
N19 5UU

The Redwood Wholefood Company Limited

**Abbreviated Balance Sheet
as at 30th September 1996**

	Notes	1996 £	1995 £
Fixed Assets			
Tangible assets	2	260,092	61,909
Current Assets			
Stocks		49,125	95,132
Debtors		158,522	91,040
Cash at bank and in hand		91,775	71,266
		<u>299,422</u>	<u>257,438</u>
Creditors: amounts falling due within one year		<u>(395,348)</u>	<u>(185,207)</u>
Net Current Liabilities		<u>(95,926)</u>	<u>72,231</u>
Total Assets Less Current Liabilities		<u>164,166</u>	<u>134,140</u>
Creditors: amounts falling due after more than one year		<u>(49,990)</u>	<u>(69,994)</u>
		<u>£ 114,176</u>	<u>£ 64,146</u>
Capital and Reserves			
Called up share capital	3	2	2
Profit and loss account		114,174	64,144
Shareholders' Funds		<u>£ 114,176</u>	<u>£ 64,146</u>

In preparing these abbreviated accounts:

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the director's opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on18th June 1997

S A Couldridge
Director

The Redwood Wholefood Company Limited

Notes to the Abbreviated Accounts for the year ended 30th September 1996

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the director's report, all of which are continuing.

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

1.2 Turnover

Turnover represents amounts receivable for goods provided in the UK net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	-	25% Straight line
Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	20% Straight line
Motor vehicles	-	25% Straight line

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

The Redwood Wholefood Company Limited

**Notes to the Abbreviated Accounts
for the year ended 30th September 1996**

2. Tangible Assets

	Computer equipment	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1st October 1995	776	54,373	8,660	1,161	64,970
Additions	1,592	255,296	7,305	-	264,193
At 30th September 1996	<u>2,368</u>	<u>309,669</u>	<u>15,965</u>	<u>1,161</u>	<u>329,163</u>
Depreciation					
At 1st October 1995	129	1,188	1,405	339	3,061
Charge for year	592	61,935	3,193	290	66,010
At 30th September 1996	<u>721</u>	<u>63,123</u>	<u>4,598</u>	<u>629</u>	<u>69,071</u>
Net book values					
At 30th September 1996	<u>£ 1,647</u>	<u>£ 246,546</u>	<u>£ 11,367</u>	<u>£ 532</u>	<u>£ 260,092</u>
At 30th September 1995	<u>£ 647</u>	<u>£ 53,185</u>	<u>£ 7,255</u>	<u>£ 822</u>	<u>£ 61,909</u>

3. Share Capital

	1996 £	1995 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>