

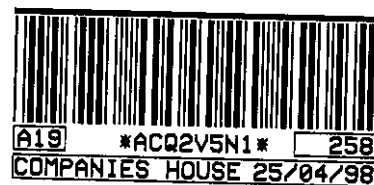
BLYTH FARMS LIMITED

Registered No. 335192

ABBREVIATED ACCOUNTS

YEAR ENDED

30 JUNE 1997



BLYTH FARMS LIMITED

ABBREVIATED ACCOUNTS

Year ended 30 June 1997

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BLYTH FARMS LIMITED

ABBREVIATED ACCOUNTS

Year ended 30 June 1997

Directors

SA Blyth
NA Blyth

Secretary

SA Blyth

Registered office

Lake House Farm
Goadby
Leicestershire
LE7 9EE

Auditors

Cooper-Parry
Chartered Accountants
56 High Pavement
Nottingham
NG1 1HX

Registered number

335192

BLYTH FARMS LIMITED

REPORT OF THE DIRECTORS

Financial statements

The directors have pleasure in presenting their report and financial statements for the year ended 30 June 1997.

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 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 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.

Results and dividends

The trading results for the year and company's financial position at the end of the year are shown in the attached financial statements.

The directors consider the results of the subsidiary undertakings and their financial position at the year end to be satisfactory in light of prevailing economic conditions in the markets in which the group is active. The results of the company were very adversely affected by the BSE crisis although the balance sheet remains sound.

Dividends

The directors do not recommend the payment of a dividend.

The profit for the year amounting to £342,518 will be added to the balance of reserves brought forward from the previous year.

Principal activity

The principal activity of the company is farming.

The principal activities of the company's subsidiary undertakings were as follows:

Charles Blyth & Company Limited was involved in the manufacture of springs for the upholstery and bedding industry. Art Forma (Furniture) Limited was involved in the design and manufacture of upholstered furniture. Caswan Properties Limited was involved in property developing and has since become dormant.

BLYTH FARMS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Fixed assets

The directors consider that the market value of the company's interests in freehold land is not materially different from the book value at which it is stated in the financial statements.

Directors

The directors who have held office during the year are listed on page 1.

The interests of the directors, including family interest in the share capital of the company are as follows:

	30 June 1997		30 June 1996	
	£1 Ordinary shares	Non-voting £1 Ordinary shares	£1 Ordinary shares	Non-voting £1 Ordinary shares
Beneficial				
NA Blyth	57,025	502,055	57,025	502,055
SA Blyth	57,025	502,055	57,025	502,055
As Trustee				
NA Blyth	-	-	47,420	339,340
SA Blyth	49,484	602,976	49,484	602,976

The requirement of the Companies Act 1985, that directors having a joint interest shall each be deemed to have that interest, results in holdings of 47,420 ordinary shares and 339,340 non-voting ordinary shares in which both Mr NA Blyth and Mr SA Blyth are deemed to have an interest as Trustees being included in the holdings as Trustees of each of them at 30 June 1996 only. During 1997 47,420 ordinary shares and 339,340 non-voting ordinary shares were transferred to a trust in which Mr SA Blyth only is a trustee.

The directors had the following interest in the company's subsidiary undertaking, Charles Blyth & Company Limited:

	30 June 1997	30 June 1996
Beneficial		
NA Blyth	800	800
SA Blyth	700	700
JA Blyth	100	100
As Trustee		
NA Blyth	-	300
SA Blyth	2,000	2,000

The directors had the following interests in the shares of the company's subsidiary undertaking, Art Forma (Furniture) Limited:

	30 June 1997		30 June 1996	
	£1 Ordinary shares	Non-voting £1 Ordinary shares	£1 Ordinary shares	Non-voting £1 Ordinary shares
Beneficial				
NA Blyth	57,045	451,555	57,045	451,555
SA Blyth	57,045	451,555	57,045	451,555
As Trustee				
NA Blyth	-	-	47,420	286,140
SA Blyth	49,484	641,276	49,484	641,276

The directors had no beneficial interests in the shares of the company's subsidiary company, Caswan Properties Limited.

In accordance with the Articles of Association neither director retires by rotation.

BLYTH FARMS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Auditors

Cooper-Parry have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

A handwritten signature in black ink, appearing to be 'NA Blyth', written in a cursive style.

Signed on behalf of the board of directors

NA BLYTH
Director

Approved by the board on 23 April 1998

AUDITORS' REPORT TO BLYTH FARMS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 6 to 16 together with the financial statements of Blyth Farms Limited for the year ended 30 June 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 section 246A(3) of the Act to the Registrar of Companies and whether the accounts are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts under Section 246, 247 and 249 of the Companies Act 1985 prepared in accordance with section 246A(3) of that Act, in respect of the year ended 30 June 1997 and the abbreviated accounts on pages 6 to 16 are properly prepared in accordance with that section.



COOPER-PARRY

Chartered Accountants

Registered Auditor

NOTTINGHAM

23 April 1998

BLYTH FARMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 30 June 1997

	Notes	1997 £	1996 £
Gross profit/loss		33,553	(113,072)
Administrative expenses		<u>(70,221)</u>	<u>(70,284)</u>
Operating loss	2	(36,668)	(183,356)
Profit on sale of land		<u>378,940</u>	<u>-</u>
		342,272	(183,356)
Net interest receivable/payable	3	<u>246</u>	<u>(6,122)</u>
Retained profit/loss sustained for the year	12	<u>342,518</u>	<u>(189,478)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit/loss for the above two financial years.

Historical cost profit and loss

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material.

The notes on pages 9 to 16 form part of these abbreviated accounts.

BLYTH FARMS LIMITED

ABBREVIATED BALANCE SHEET

At 30 June 1997

	Notes	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	5		1,136,295		882,240
Investments	6		350,278		350,278
			<u>1,486,573</u>		<u>1,232,518</u>
Current assets					
Stocks	7	144,483		167,638	
Debtors	8	290,632		274,155	
Investments		-		100,758	
Cash at bank		145,735		-	
		<u>580,850</u>		<u>542,551</u>	
Creditors: amounts falling due within one year	9	<u>(364,626)</u>		<u>(422,225)</u>	
Net current assets			216,224		120,326
Total assets less current liabilities			<u>1,702,797</u>		<u>1,352,844</u>
Creditors: amounts falling due after more than one year	10		<u>(8,212)</u>		<u>(777)</u>
Net assets			<u>1,694,585</u>		<u>1,352,067</u>
Capital and reserves					
Called up share capital	11		88,531		88,531
Share premium account			40,749		40,749
Other reserves			978		978
Profit and loss account	12		1,564,327		1,221,809
Shareholders' funds	13		<u>1,694,585</u>		<u>1,352,067</u>

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

Signed on behalf of the board of directors

NA BLYTH
Director



Approved by the board on 23 April 1998

The notes on pages 9 to 16 form part of these abbreviated accounts.

BLYTH FARMS LIMITED

ABBREVIATED CASH FLOW STATEMENT

Year ended 30 June 1997

	Notes	£	1997 £	£	1996 £
Net cash inflow from operating activities	14		1,104		16,364
Returns on investments and servicing of finance					
Interest received		4,530		17	
Interest paid		(374)		(4,283)	
Interest element of finance lease rental payments and hire purchase		(3,910)		(1,856)	
			246		(6,122)
Capital expenditure and financial investment					
Proceeds of asset sales		552,642		-	
Payments to acquire tangible fixed assets		(282,136)		25,963	
Land purchase		(2,150)		-	
			268,356		(25,963)
Net cash inflow/outflow before financing			269,706		(15,721)
Financing					
Repayment of principal under hire purchase contracts		(31,573)		(16,140)	
Net cash outflow from financing			(31,573)		(16,140)
Increase/decrease in cash	19		238,133		(31,861)

The notes on pages 9 to 16 form part of these abbreviated accounts.

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

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

Turnover

Turnover represents the net amount invoiced to customers excluding value added tax.

Non consolidation of subsidiary undertakings

The company and its subsidiaries comprise a medium sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group financial statements. The financial statements therefore present information about the company and not about the group.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Implements and machinery	- 6 years straight line
Motor vehicles	- 6 years straight line
Farm buildings	- 25 years straight line

No depreciation is required to be provided on freehold land. In accordance with SSAP 19 freehold buildings held as investment properties are not depreciated. This is not in accordance with the Companies Act 1985 but the adoption of SSAP 19 is, in the opinion of the directors, necessary for the financial statements to give a true and fair view.

Freehold investment properties

Freehold investment property is included in the financial statements at current market value, in accordance with Statement of Standard Accounting Practice No. 19.

Assets acquired under hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are included in the balance sheet at cost less depreciation. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation where an actual liability is expected to crystallise within the foreseeable future. No provision is required at 30 June 1997 (1996 : £Nil).

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

2	Operating loss	1997 £	1996 £
	This is stated after:		
	Auditors' remuneration	2,750	2,750
	Depreciation	<u>29,380</u>	<u>19,130</u>
3	Net interest receivable/payable		
	Total interest receivable	4,530	17
	Total interest payable	<u>(4,284)</u>	<u>(6,139)</u>
	Net interest receivable/payable	<u>246</u>	<u>(6,122)</u>
	Current asset investment income derived from:		
	Bank balances	<u>4,530</u>	<u>17</u>
	Interest and similar charges payable on:		
	Bank loans and overdrafts	374	4,283
	Hire purchase charges	<u>3,910</u>	<u>1,856</u>
		<u>4,284</u>	<u>6,139</u>
4	Staff costs		
	Total remuneration, including directors, was:		
	Wages and salaries	28,191	32,132
	Social security costs	<u>2,410</u>	<u>2,612</u>
		<u>30,601</u>	<u>34,744</u>
	The average number of employees, including directors, engaged in the following activities was:	Number	Number
	Production	3	3
	Management	<u>2</u>	<u>2</u>
		<u>5</u>	<u>5</u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

5 Tangible fixed assets

	Freehold land £	Implements and machinery £	Farm buildings £	Vehicles £	Total £
Cost					
At 1 July 1996	356,058	43,204	617,459	76,605	1,093,326
Additions	101,381	45,384	141,147	47,722	335,634
Disposals	(9,429)	(3,900)	(52,931)	(65,143)	(131,403)
At 30 June 1997	<u>448,010</u>	<u>84,688</u>	<u>705,675</u>	<u>59,184</u>	<u>1,297,557</u>
Depreciation					
At 1 July 1996	-	36,881	122,673	51,532	211,086
Charge for the year	-	9,247	12,179	7,954	29,380
Relating to disposals	-	-	(39,134)	(40,070)	(79,204)
At 30 June 1997	<u>-</u>	<u>46,128</u>	<u>95,718</u>	<u>19,416</u>	<u>161,262</u>
Net book values					
At 30 June 1996	<u>356,058</u>	<u>6,323</u>	<u>494,786</u>	<u>25,073</u>	<u>882,240</u>
At 30 June 1997	<u>448,010</u>	<u>38,560</u>	<u>609,957</u>	<u>39,768</u>	<u>1,136,295</u>

Included within the net book value of £1,136,295 is £62,143 (1996 : £25,073) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £12,429 (1996 : £8,360).

6 Fixed asset investments

	Subsidiary undertakings £	Unquoted investment £	Freehold property £	Total £
Cost				
At 1 July 1996 and 30 June 1997	<u>467,009</u>	<u>55</u>	<u>58,214</u>	<u>525,278</u>
Amounts written off				
At 1 July 1996 and 30 June 1997	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
Net book value				
At 30 June 1996	<u>292,009</u>	<u>55</u>	<u>58,214</u>	<u>350,278</u>
At 30 June 1997	<u>292,009</u>	<u>55</u>	<u>58,214</u>	<u>350,278</u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

7 Fixed asset investments

Subsidiary undertakings

The company's investment of £42,009 in the subsidiary company, Caswan Properties Limited, represents the cost of acquisition of the whole of the subsidiary's ordinary share capital. The subsidiary company is registered in England and Wales and was a property developer but is now dormant.

At 30 June 1997, the aggregate of the share capital and reserves of Caswan Properties Limited amounted to £118,996 (1996 : £119,258) and the loss for the year to that date was £262 (1996 : £248).

The company's investment of £150,000 in the subsidiary company, Charles Blyth & Company Limited, represents the cost of acquisition of 97.6% of the subsidiary's ordinary share capital. The subsidiary company is registered in England and Wales and was involved in the manufacture of springs for the upholstery and bedding industry.

At 30 June 1997, the aggregate of the share capital and reserves of Charles Blyth & Company Limited amounted to £279,554 (1996 : £306,794) and the total of recognised losses for the year to that date was £27,240 (1996 : £1,659).

The company's investment in the subsidiary company Art Forma (Furniture) Limited represents the cost of acquisition of 97.11% of the subsidiary's voting ordinary share capital and 76.3% of the subsidiary's total issued share capital of £275,000 less provisions for diminution in value of £175,000, giving a carrying value of £100,000. The subsidiary company is registered in England and Wales and was involved in the design and manufacture of upholstered furniture.

At 30 June 1997, the aggregate of the share capital and reserves of Art Forma (Furniture) Limited amounted to £202,355 (1996 : £127,462) and the profit for the year was £74,893 (1996 : Profit £32,234).

Unquoted investments

This represents the cost of shares in Central Wool Growers.

Freehold property

The freehold property at 11 Church Lane, Osgathorpe was valued by the directors on 30 June 1995 at £58,214. The directors were of the opinion that there had been no significant change in market value of the property since that date.

7	Stocks	1997 £	1996 £
	Raw materials	19,913	27,782
	Finished goods	30,000	30,000
	Live stock	94,570	109,856
		<hr/>	<hr/>
		144,483	167,638
		<hr/>	<hr/>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

8	Debtors	1997 £	1996 £
	Trade debtors	175	757
	Amounts owed by group undertakings	267,271	267,271
	Other debtors	20,338	4,103
	Prepayments and accrued income	2,848	2,024
		<u>290,632</u>	<u>274,155</u>
9	Creditors: amounts falling due within one year		
	Bank loans and overdrafts	64	92,462
	Trade creditors	65,046	35,929
	Amounts owed to group undertakings	247,563	244,304
	Other creditors including taxation and social security: PAYE and social security	632	902
	Hire purchase agreements	29,549	15,059
	Other creditors	-	248
	Directors current accounts	18,093	21,436
	Accruals and deferred income	3,679	11,885
		<u>364,626</u>	<u>422,225</u>
	Bank overdrafts are secured by fixed and floating charges over the company's assets including a first fixed charge over certain freehold land.		
10	Creditors: amounts falling due after more than one year		
	Other creditors: Hire purchase agreements	<u>8,212</u>	<u>777</u>
11	Called up share capital	1997 £	1996 £
	Authorised:		
	165,000 Ordinary shares of £0.05 each	8,250	8,250
	1,700,000 Non-voting ordinary shares of £0.05 each	85,000	85,000
		<u>93,250</u>	<u>93,250</u>
	Allotted, issued and fully paid:	No.	No.
		£	£
	Ordinary shares	163,534	163,534
	Non-voting ordinary shares	1,607,086	1,607,086
		<u>1,770,620</u>	<u>1,770,620</u>
		<u>88,531</u>	<u>88,531</u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

12	Statement of retained profits	1997 £	1996 £
	Retained profits at 1 July 1996	1,221,809	1,411,287
	Retained profit/loss sustained for the year	342,518	(189,478)
	Retained profits at 30 June 1997	<u>1,564,327</u>	<u>1,221,809</u>
13	Reconciliation of movements on shareholders' funds		
	Profit/loss sustained for the year	342,518	(189,478)
	Opening shareholders' equity funds at 1 July 1996	<u>1,352,067</u>	<u>1,541,545</u>
	Closing shareholders' equity funds at 30 June 1997	<u>1,694,585</u>	<u>1,352,067</u>
14	Reconciliation of operating loss to net cash inflow from operating activities		
	Operating loss	(36,668)	(183,356)
	Depreciation charges	29,380	19,130
	Decrease in stocks	23,155	124,206
	Increase/decrease in debtors	(16,477)	16,473
	Increase in creditors	20,309	39,911
	Profit on sale	(18,595)	-
	Net cash inflow from operating activities	<u>1,104</u>	<u>16,364</u>
15	Commitments under hire purchase agreements		
	Future commitments under hire purchase agreements are as follows:		
	Amounts payable within one year	31,393	16,783
	Amounts payable between two to five years	<u>8,394</u>	<u>777</u>
		39,787	17,560
	Less interest and finance charges relating to future periods	<u>(2,026)</u>	<u>(1,724)</u>
		<u>37,761</u>	<u>15,836</u>

16 Contingencies

The company has given unlimited guarantees to the group's bankers in respect of bank borrowings of other group undertakings amounting to £282,515 in total as at 30 June 1997 (1996 : £234,845).

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

17 Company control and related party transactions

The company is controlled by the directors Mr SA Blyth and Mr NA Blyth.

During the year the company had the following transactions with its subsidiary undertakings:

Charles Blyth & Company Limited

An amount of £1,109 was recharged from this company resulting in a balance of £129,295 due to Charles Blyth & Company Limited at 30 June 1997.

Art Forma (Furniture) Limited

There were no transactions with this company during the year. The balance owing to Blyth Farms Limited at 30 June 1997 was £267,271.

Caswan Properties Limited

At 30 June 1997 Blyth Farms Limited owed an amount of £118,256 to this company. There were no transactions during the year.

Included within other creditors are the following amounts owing to the directors at 30 June 1997:

NA Blyth £8,307

SA Blyth £9,786

18 Capital commitments

At 30 June 1997 the company had contracted for the following capital expenditure:

Barn improvements	£20,000
Tree planting scheme	£2,000
New electric and water supply	£8,000

19 Reconciliation of net cash flow to movement in net funds/debt	1997 £	1996 £
Increase/decrease in cash in period	238,133	(31,861)
Cash outflow from decreases in debt	31,573	16,140
	<hr/>	<hr/>
Changes in net debt resulting from cashflows	269,706	(15,721)
Other non-cash items:		
Inception of hire purchase contracts	(53,498)	-
	<hr/>	<hr/>
	216,208	(15,721)
Net funds/debt at 1 July 1996	<hr/> (108,298) <hr/>	<hr/> (92,577) <hr/>
Net debt at 30 June 1997	<hr/> 107,910 <hr/>	<hr/> (108,298) <hr/>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1997

20	Analysis of changes in net funds/debt	At 1 July 1996 £	Cash flow £	Other non-cash changes £	At 30 June 1997 £
	Cash at bank and in hand	-	145,735	-	145,735
	Overdrafts	(92,462)	92,398	-	(64)
		<u>(92,462)</u>	<u>238,133</u>	<u>-</u>	<u>145,671</u>
	Hire purchase contracts	(15,836)	31,573	(53,498)	(37,761)
		<u>(108,298)</u>	<u>269,706</u>	<u>(53,498)</u>	<u>107,910</u>