

BLYTH FARMS LIMITED

Registered No. 335192

ABBREVIATED ACCOUNTS

YEAR ENDED

30 JUNE 1996



BLYTH FARMS LIMITED

ABBREVIATED ACCOUNTS

Year ended 30 June 1996

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BLYTH FARMS LIMITED

ABBREVIATED ACCOUNTS

Year ended 30 June 1996

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 1996.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 deficit for the year amounting to £189,478 will be set against 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 movements in fixed assets are recorded in the notes to the financial statements.

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 1996		30 June 1995	
	£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	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 and 1995.

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

	30 June 1996	30 June 1995
Beneficial		
NA Blyth	800	600
SA Blyth	700	500
JA Blyth	100	100
As Trustee		
NA Blyth	300	500
SA Blyth	2,000	2,200

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

	30 June 1996		30 June 1995	
	£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	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

Hubbart, Durose & Pain merged their practice with Cooper-Parry, Prior & Palmer on 1 January 1997 and now practise in the name of Cooper-Parry. Accordingly, they have signed their Audit Report in their new name. 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.

Signed on behalf of the board of directors

NA BLYTH
Director

A handwritten signature in black ink, appearing to be 'NA Blyth', written over a circular stamp or seal.

Approved by the board on 30 July 1997

AUDITORS' REPORT TO BLYTH FARMS LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 7 to 16 together with the financial statements of Blyth Farms Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing 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 8 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, 247 and 249 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 30 June 1996, and the abbreviated accounts on pages 7 to 16 have been properly prepared in accordance with that schedule.

Other information

On 30 July 1997 we reported, as auditors of Blyth Farms Limited, to the shareholders on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1996, and our audit report was as follows:

"REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

BLYTH FARMS LIMITED

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2 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.

AUDITORS' REPORT TO BLYTH FARMS LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (CONTINUED)

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 30 June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



COOPER-PARRY

Chartered Accountants

Registered Auditor

NOTTINGHAM

30 July 1997

BLYTH FARMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 30 June 1996

	Notes	1996 £	1995 £
Gross loss/profit		(113,072)	57,079
Administrative expenses		<u>(70,284)</u>	<u>(64,752)</u>
Operating loss	2	(183,356)	(7,673)
Subsidy to group undertaking		<u>-</u>	<u>(200,000)</u>
		(183,356)	(207,673)
Net interest payable	3	<u>(6,122)</u>	<u>(3,699)</u>
Loss sustained for the year	12	<u><u>(189,478)</u></u>	<u><u>(211,372)</u></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 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 10 to 16 form part of these abbreviated accounts.

BLYTH FARMS LIMITED

ABBREVIATED BALANCE SHEET

At 30 June 1996

	Notes	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	5		882,240		976,165
Investments	6		350,278		350,278
			<u>1,232,518</u>		<u>1,326,443</u>
Current assets					
Stocks	7	167,638		291,844	
Debtors	8	274,155		290,628	
Investments		100,758		-	
		<u>542,551</u>		<u>582,472</u>	
Creditors: amounts falling due within one year	9	(422,225)		(351,534)	
Net current assets			<u>120,326</u>		<u>230,938</u>
Total assets less current liabilities			<u>1,352,844</u>		<u>1,557,381</u>
Creditors: amounts falling due after more than one year	10		(777)		(15,836)
Net assets			<u>1,352,067</u>		<u>1,541,545</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		1,221,809		1,411,287
Shareholders' funds	13		<u>1,352,067</u>		<u>1,541,545</u>

The directors have taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that in their opinion, the company is entitled to those exemptions as a medium sized company.

Signed on behalf of the board of directors

NA BLYTH
Director



Approved by the board on 30 July 1997

The notes on pages 10 to 16 form part of these abbreviated accounts.

BLYTH FARMS LIMITED

ABBREVIATED CASH FLOW STATEMENT

Year ended 30 June 1996

	Notes	£	1996 £	£	1995 £
Net cash inflow from operating activities	14		16,364		182,369
Returns on investments and servicing of finance					
Interest received		17		74	
Interest paid		(4,283)		(1,917)	
Interest element of finance lease rental payments and hire purchase		(1,856)		(1,856)	
Net cash outflow from returns on investments and servicing of finance			(6,122)		(3,699)
Taxation					
Corporation tax paid			-		(1,706)
Investing activities					
Payments to acquire tangible fixed assets		25,963		(3,652)	
Subsidy to group undertakings		-		(200,000)	
Net cash outflow from investing activities			(25,963)		(203,652)
Net cash outflow before financing			(15,721)		(26,688)
Financing					
Capital element of finance lease and hire purchase payments		(16,140)		(1,374)	
Net cash outflow from financing			(16,140)		(1,374)
Decrease in cash and cash equivalents	15		(31,861)		(28,062)

Major non-cash transactions

Investing activities for the 1994/95 financial year include a subsidy to a group undertaking which did not result in cash movement.

The notes on pages 10 to 16 form part of these abbreviated accounts.

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1996

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.

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 1996 (1995 : £Nil).

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1996

2	Operating loss	1996	1995
		£	£
	This is stated after:		
	Auditors' remuneration	2,750	2,750
	Depreciation	19,130	21,856
	Directors' emoluments	-	-
		<u> </u>	<u> </u>
3	Net interest payable		
	Total interest receivable	17	74
	Total interest payable	(6,139)	(3,773)
		<u> </u>	<u> </u>
	Net interest payable	(6,122)	(3,699)
		<u> </u>	<u> </u>
	Current asset investment income derived from:		
	Bank balances	17	74
		<u> </u>	<u> </u>
	Interest and similar charges payable on:		
	Bank loans and overdrafts	4,283	1,917
	Hire purchase charges	1,856	1,856
		<u> </u>	<u> </u>
		6,139	3,773
		<u> </u>	<u> </u>
4	Staff costs		
	Total remuneration, including directors, was:		
	Wages and salaries	32,132	29,111
	Social security costs	2,612	2,847
		<u> </u>	<u> </u>
		34,744	31,958
		<u> </u>	<u> </u>
	The average number of employees, including directors, engaged in the following activities was:	Number	Number
	Production	3	3
	Management	2	2
		<u> </u>	<u> </u>
		5	5
		<u> </u>	<u> </u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1996

5 Tangible fixed assets

	Freehold land £	Implements and machinery £	Farm buildings £	Vehicles £	Total £
Cost or valuation					
At 1 July 1995	433,208	40,849	617,459	76,605	1,168,121
Additions	23,608	2,355	-	-	25,963
Reclassifications	(100,758)	-	-	-	(100,758)
At 30 June 1996	<u>356,058</u>	<u>43,204</u>	<u>617,459</u>	<u>76,605</u>	<u>1,093,326</u>
Depreciation					
At 1 July 1995	-	32,811	115,973	43,172	191,956
Charge for the year	-	4,070	6,700	8,360	19,130
At 30 June 1996	<u>-</u>	<u>36,881</u>	<u>122,673</u>	<u>51,532</u>	<u>211,086</u>
Net book values					
At 30 June 1995	<u>433,208</u>	<u>8,038</u>	<u>501,486</u>	<u>33,433</u>	<u>976,165</u>
At 30 June 1996	<u>356,058</u>	<u>6,323</u>	<u>494,786</u>	<u>25,073</u>	<u>882,240</u>

Included within the net book value of £882,240 is £25,073 (1995 : £33,433) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £8,360 (1995 : £8,360).

Certain land was sold by the company subsequent to the year end. This has been reclassified as a current asset investment as at 30 June 1996.

6 Fixed asset investments

	Subsidiary undertakings £	Unquoted investment £	Freehold property £	Total £
Cost				
At 1 July 1995 and 30 June 1996	<u>467,009</u>	<u>55</u>	<u>58,214</u>	<u>525,278</u>
Amounts written off				
At 1 July 1995 and 30 June 1996	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
Net book value				
At 30 June 1995	<u>292,009</u>	<u>55</u>	<u>58,214</u>	<u>350,278</u>
At 30 June 1996	<u>292,009</u>	<u>55</u>	<u>58,214</u>	<u>350,278</u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 30 June 1996

6 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 1996, the aggregate of the share capital and reserves of Caswan Properties Limited amounted to £119,528 (1995 : £119,506) and the loss for the year to that date was £248 (1995 : Profit £10,977).

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 1996, the aggregate of the share capital and reserves of Charles Blyth & Company Limited amounted to £306,794 (1995 : £305,135) and the total of recognised gains for the year to that date was £1,659 (1995 : £284,379).

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 1996, the aggregate of the share capital and reserves of Art Forma (Furniture) Limited amounted to £127,462 (1995 : £95,228) and the profit for the year was £32,234 (1995 : Loss £79,591)

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	1996 £	1995 £
Raw materials	27,782	59,066
Finished goods	30,000	30,000
Live stock	109,856	202,778
	<u>167,638</u>	<u>291,844</u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1996

8	Debtors	1996	1995
		£	£
	Trade debtors	757	100
	Amounts owed by group undertakings	267,271	287,271
	Other debtors	4,103	-
	Prepayments and accrued income	2,024	3,257
		<u>274,155</u>	<u>290,628</u>
9	Creditors: amounts falling due within one year		
	Bank loans and overdrafts	92,462	60,601
	Trade creditors	35,929	21,885
	Amounts owed to group undertakings	244,304	220,203
	Other creditors including taxation and social security:		
	PAYE and social security	902	736
	Hire purchase agreements	15,059	16,140
	Other creditors	248	1,375
	Directors current accounts	21,436	21,786
	Accruals and deferred income	11,885	8,808
		<u>422,225</u>	<u>351,534</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>777</u>	<u>15,836</u>
11	Called up share capital	1996	1995
		£	£
	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 8,177	163,534 8,177
	Non-voting ordinary shares	1,607,086 80,354	1,607,086 80,354
		<u>1,770,620 88,531</u>	<u>1,770,620 88,531</u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1996

12	Statement of retained profits	1996 £	1995 £
	Retained profits at 1 July 1995	1,411,287	1,622,659
	Loss sustained for the year	<u>(189,478)</u>	<u>(211,372)</u>
	Retained profits at 30 June 1996	<u><u>1,221,809</u></u>	<u><u>1,411,287</u></u>
13	Reconciliation of movements on shareholders' funds		
	Loss sustained for the year	(189,478)	(211,372)
	Opening shareholders' equity funds at 1 July 1995	<u>1,541,545</u>	<u>1,752,917</u>
	Closing shareholders' equity funds at 30 June 1996	<u><u>1,352,067</u></u>	<u><u>1,541,545</u></u>
14	Reconciliation of operating loss to net cash inflow from operating activities		
	Operating loss	(183,356)	(7,673)
	Depreciation charges	19,130	21,856
	Decrease/increase in stocks	124,206	(43,423)
	Decrease/increase in debtors	16,473	(8,769)
	Increase in creditors	<u>39,911</u>	<u>220,378</u>
	Net cash inflow from operating activities	<u><u>16,364</u></u>	<u><u>182,369</u></u>
15	Analysis of balances of cash and cash equivalents as shown in the balance sheet		Bank overdrafts £
	At 1 July 1995		(60,601)
	Change in the year		<u>(31,861)</u>
	At 30 June 1996		<u><u>(92,462)</u></u>

BLYTH FARMS LIMITED

NOTES RELATING TO THE ABBREVIATED ACCOUNTS

Year ended 30 June 1996

16 Analysis of changes in financing

Finance lease
and hire
purchase
obligations
£

Balance at 1 July 1995	31,976
Cash outflows from financing	(16,140)
Balance at 30 June 1996	<u>15,836</u>

17 Commitments under hire purchase agreements

1996
£

1995
£

Future commitments under hire purchase agreements are as follows:

Amounts payable within one year	16,783	17,997
Amounts payable between two to five years	777	17,560
	<u>17,560</u>	<u>35,557</u>
Less interest and finance charges relating to future periods	(1,724)	(3,581)
	<u>15,836</u>	<u>31,976</u>

18 Contingencies

The company has given unlimited guarantees to the group's bankers in respect of bank borrowings of other group undertakings amounting to £234,845 in total as at 30 June 1996 (1995 : £276,311).

19 Transactions with the directors

Directors of the company, NA Blyth and SA Blyth, have interests as shareholders in Art Forma (Furniture) Limited for the purposes of Section 232 Companies Act 1985. The company conducted transactions with the latter company during the year in the normal course of trade.