

**CLIFFORD KENT HOLDINGS LIMITED (FORMERLY BEATMOTION
LIMITED)**

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 SEPTEMBER 1997

Riley



CLIFFORD KENT HOLDINGS LIMITED

COMPANY INFORMATION

Director	M R J Kent	(Appointed 23 September 1996)
Secretary	JLA Services Limited	
Company number	03228867	
Registered office	Tremar Liskeard Cornwall PL14 6EA	
Auditors	Riley Britannic House, 51 North Hill Plymouth PL4 8HZ	
Business address	Tremar Liskeard Cornwall PL14 6EA	
Bankers	Barclays Bank Plc The Parade Liskeard Cornwall PL14 6AR	

CLIFFORD KENT HOLDINGS LIMITED

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CLIFFORD KENT HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 28 SEPTEMBER 1997

The director presents his report and financial statements for the period since incorporation 28 September 1997.

Principal activities and review of the business

The company was incorporated on 24 July 1996.

The company changed its name from Beatmotion Limited to Clifford Kent Holdings Limited on 4 September 1996.

The principle activity of the company is that of the parent company of the Clifford Kent Group.

Results and dividends

The company did not trade during this period.

Directors

The following directors have held office since 24 July 1996:

Swift Incorporations Limited	(Appointed 24 July 1996 and resigned 24 July 1996)
Instant Companies Limited	(Appointed 24 July 1996 and resigned 24 July 1996)
J Lansbury	(Appointed 24 July 1996 and resigned 18 September 1996)
J E C Kent	(Appointed 6 September 1996 and resigned 30 September 1997)
M R J Kent	(Appointed 23 September 1996)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	28 September 1997	24 July 1996
J E C Kent	-	-
M R J Kent	80,000	-

Auditors

Riley were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

CLIFFORD KENT HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 28 SEPTEMBER 1997


Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



M R J Kent

Director

31 March 1998

CLIFFORD KENT HOLDINGS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF CLIFFORD KENT HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 8 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 2 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 28 September 1997 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.


Riley

Chartered Accountants
Registered Auditor

31 March 1998

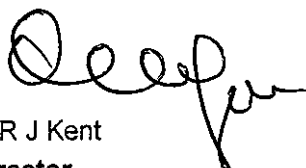
Britannic House, 51 North Hill
Plymouth
PL4 8HZ

CLIFFORD KENT HOLDINGS LIMITED

BALANCE SHEET AS AT 28 SEPTEMBER 1997

	Notes	1997 £	£
Fixed assets			
Investments	2		81,600
Current assets			
Cash at bank and in hand		1,000	
Net current assets			1,000
Total assets less current liabilities			82,600
Creditors: amounts falling due after more than one year	3		(81,600)
			1,000
Capital and reserves			
Called up share capital	4		1,000
Shareholders' funds - equity interests	5		1,000

The financial statements were approved by the Board on 31 March 1998



M R J Kent
Director

CLIFFORD KENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 SEPTEMBER 1997

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

CLIFFORD KENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 SEPTEMBER 1997

2 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
Additions	81,600
	<hr/>
At 28 September 1997	81,600
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Clifford Kent Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Clifford Kent Limited	5,090,559	360,876
	<hr/>	<hr/>

Clifford Kent Holdings Limited purchased the entire ordinary share capital of Clifford Kent Limited in September 1996.

Clifford Kent Limited is the parent company of the following companies of which it holds 100% of the ordinary share capital:

Horizon Kent Limited, Horizon Farms Limited, Trethew Kent Limited, Egg Processors and Distributors Limited and Horizon Farms (Transport) Limited.

All these companies were incorporated in England and Wales.

CLIFFORD KENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 SEPTEMBER 1997

3	Creditors: amounts falling due after more than one year	1997
		£
	Other loans	81,600
		<u>81,600</u>
	Analysis of loans	
	Not wholly repayable within five years by instalments:	81,600
		<u>81,600</u>
	Loan maturity analysis	
	In five years or more	81,600
		<u>81,600</u>
	The loans are unsecured and the benefactors have agreed to leave these amounts outstanding.	
4	Share capital	1997
		£
	Authorised	
	100,000 Ordinary shares of 1p each	1,000
		<u>1,000</u>
	Allotted, called up and fully paid	
	100,000 Ordinary shares of 1p each	1,000
		<u>1,000</u>
	100,000 Ordinary shares were issued at par during the period.	
5	Reconciliation of movements in shareholders' funds	1997
		£
	Result for the financial period	-
	Proceeds from issue of shares	1,000
		<u>1,000</u>
	Net addition to shareholders' funds	1,000
	Opening shareholders' funds	-
		<u>1,000</u>
	Closing shareholders' funds	<u>1,000</u>

CLIFFORD KENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 SEPTEMBER 1997

6	Directors' emoluments	1997
		£
	Remuneration	120,645

The emoluments of the directors serving at the end of the year are paid by the subsidiary company. The emoluments are deemed to be wholly attributable to their services to the subsidiary.

7 Employees

Number of employees

There were no employees during the period apart from the directors

8 Control

The ultimate controlling party is MRJ Kent, director.

9 Related party transactions

During the period M R J Kent, director and J E C Kent, director, provided the company with interest free loans of £60,000 and £12,000 respectively. In addition C Chapman, daughter of J E C Kent and sister of M R J Kent, provided the company with an interest free loan of £9,600.

All these balances were outstanding at the year end.

C M Chapman also has a potential beneficial interest in a majority of the shares in the company.