

ORGANIC FARM FOODS (SCOTLAND) LTD

Company No: 93747

ABBREVIATED

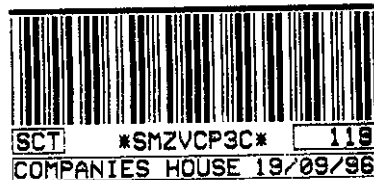
FINANCIAL STATEMENTS

- for the year ended -

31 MARCH 1996

CHARLES BURROWS & CO
Chartered Accountants
& Registered Auditors
7 Palmerston Place
Edinburgh EH12 5AH

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ORGANIC FARM FOODS (SCOTLAND) LTD

DIRECTORS

R M Kingdon
P Segger

SECRETARY

S Brown

BUSINESS ADDRESS

Whiteside Industrial Estate
Bathgate
EH48 2RX

REGISTERED OFFICE

49 Queen Street
Edinburgh
EH2 3NH

AUDITORS

Charles Burrows & Co
Chartered Accountants
& Registered Auditors
7 Palmerston Place
Edinburgh
EH12 5AH

BANKERS

Bank of Scotland
50 Hopetoun Street
Bathgate
EH48 4EU

ORGANIC FARM FOODS (SCOTLAND) LTD

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FOR THE YEAR ENDED 31 MARCH 1996

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ORGANIC FARM FOODS (SCOTLAND) LTD

AUDITORS' REPORT TO ORGANIC FARM FOODS (SCOTLAND) LTD
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 3 to 5 together with the full financial statements of Organic Farm Foods (Scotland) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1996.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 3 and whether the abbreviated financial statements 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 financial statements 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 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, Part III of Schedule 8 to that Act, in respect of the year ended 31 March 1996, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 8 August 1996 we reported, as auditors of Organic Farm Foods (Scotland) Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described on the Directors' Report 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.

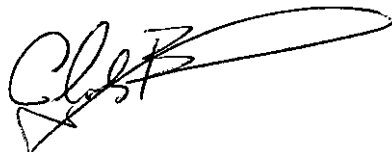
Basis of opinion

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 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 mis-statement, 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 full financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



CHARLES BURROWS & CO
Chartered Accountants
& Registered Auditors
7 Palmerston Place
Edinburgh
EH12 5AH

Date: 8 August 1996

ORGANIC FARM FOODS (SCOTLAND) LTD

ABBREVIATED BALANCE SHEET AT 31 MARCH 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	2	221,125	26,974
CURRENT ASSETS			
Stocks		12,540	10,736
Debtors		43,213	10,980
Cash at bank and in hand		2,746	4,455
		<u>58,499</u>	<u>26,171</u>
CREDITORS: Amounts falling due within one year		<u>(241,841)</u>	<u>(45,529)</u>
NET CURRENT LIABILITIES		<u>(183,342)</u>	<u>(19,358)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,783</u>	<u>7,616</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		37,683	7,516
		<u>37,783</u>	<u>7,616</u>

In preparing these abbreviated financial statements:-

- We have relied upon the exemptions for individual financial statements under sections 246 and 247 of the Companies Act 1985.
 - We have done so on the grounds that the company is entitled to the benefit of those sections as a small company.
- The financial statements were approved by the board on 8 August 1996 and signed on its behalf by

R M Kingdon



P Segger



The notes on pages 4 to 5 form part of these abbreviated financial statements.

ORGANIC FARM FOODS (SCOTLAND) LTD

ABBREVIATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Tenants improvements	over 10 years
Plant and equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

1.4 STOCKS

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

1.5 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

ORGANIC FARM FOODS (SCOTLAND) LTD

ABBREVIATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

2. FIXED ASSETS

	Tangible assets £
<u>Cost</u>	
At 1 April 1995	76,124
Additions	202,175
Disposals	(870)
At 31 March 1996	<u>277,429</u>
<u>Depreciation</u>	
At 1 April 1995	49,150
Charge for year	7,667
On disposals	(513)
At 31 March 1996	<u>56,304</u>
<u>Net book value at 31 March 1996</u>	<u>221,125</u>
<u>Net book value at 31 March 1995</u>	<u>26,974</u>

3. SHARE CAPITAL

	1996 £	1995 £
<u>Authorised</u>		
Equity interests:		
10,000 Ordinary shares of £1 of £1 each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
100 Ordinary shares of £1 of £1 each	<u>100</u>	<u>100</u>

4. ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary of Organic Farm Foods (Wales) Limited.