

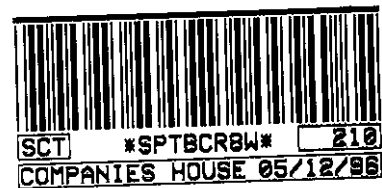
LIVESTOCK MARKETING (BORDERS) LIMITED

ABBREVIATED ACCOUNTS

For the period from

2nd February 1995 to 31st May 1996

Registered No. SC155742



LIVESTOCK MARKETING (BORDERS) LIMITED**UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated Accounts set out on pages 2 to 4, together with the full statutory Accounts of the Company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the Company is entitled to the exemptions as set out in the Directors' Statement on page 2 and the abbreviated Accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 28th November 1996 we reported to the shareholders on the statutory Accounts of the Company for the period ended 31st May 1996, prepared under Section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8. Our report under Section 235 of the Companies Act 1985 was as follows:-

"We have audited the Accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1, the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

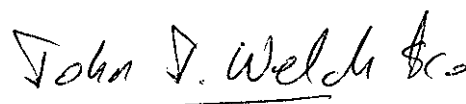
Basis of Opinion

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 Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts, 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 Accounts 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 Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31st May 1996 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small Companies".



**JOHN J. WELCH & CO.,
Chartered Accountants &
Registered Auditors.**

19 Buccleuch Street,
HAWICK.

28th November 1996.

ABBREVIATED BALANCE SHEET

As at 31st May 1996

	Note	
Fixed Assets		
Tangible Assets	2	£ 9,698
Current Assets		
Stock		£ 25,214
Debtors		64,066
Investment		50
Cash at Bank and in Hand		<u>744</u>
		£ 90,074
Creditors: Due within one year	3	<u>67,736</u>
Net Current Assets		<u>22,338</u>
Total Assets less Current Liabilities		£ 32,036
Creditors: Due after more than one year	4	<u>4,645</u>
		£ 27,391
		=====
Capital and Reserves		
Share Capital	7	£ 13,000
Share Premium Account		13,000
Profit and Loss Account		<u>1,391</u>
		£ 27,391
		=====

The Directors have taken advantage of the exemptions conferred by 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 small Company.

In the preparation of the Company's Annual Accounts, the Directors have taken advantage of the exemptions applicable to small Companies conferred by Part I 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 small Company under Section 247.

Signed on behalf of the Board of Directors


MICHAEL D. CLARKE - Chairman

JAMES HALL - Director

Approved by the Board 28th November 1996.

NOTES TO THE ABBREVIATED ACCOUNTS

For the period from 2nd February 1995 to 31st May 1996

1. Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Companies Act 1985.

Depreciation

Depreciation is provided at the annual rates below to write off the cost of each asset evenly over its expected useful life.

Motor Vehicles	- 25% Reducing Balance
Equipment	- 15% Reducing Balance

Stock

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

Leases and Hire Purchase Contracts

Assets acquired under hire purchase contracts are capitalised in the Balance Sheet and are depreciated in accordance with the Company's depreciation policy. A corresponding obligation is included in creditors and the interest element is charged to the profit and loss account in the period in which incurred.

The costs of operating leases are charged to the profit and loss account in the period in which they relate.

Turnover

Turnover represents the value of goods and services supplied to customers excluding VAT. There were no export sales.

2. Tangible Fixed Assets

	TOTAL
Cost	
Additions	£ 12,174
As at 31st May 1996	£ 12,174 =====
Aggregate Depreciation	
Charge for period	£ 2,476
As at 31st May 1996	£ 2,476 =====
Net Book Value	
As at 31st May 1996	£ 9,698 =====

NOTES TO THE ABBREVIATED ACCOUNTS (Contd)

For the period from 2nd February 1995 to 31st May 1996

3. **Creditors:** Due within one year includes

Bank Overdraft	(Note 6)	£ 45,530
Hire Purchase	(Note 5)	3,483
		=====

4. **Creditors:** Due after more than one year

Hire Purchase	(Note 5)	£ 4,645
		=====

5. **Hire Purchase Creditors**

Due within one year	£ 3,483
Due between one and two years	3,483
Due between two and five years	<u>1,162</u>
	£ 8,128
	=====

6. **Bank Borrowings**

The Bank Borrowings are secured by a bond and floating charge over the Company's assets, and a guarantee granted by The Buccleuch Estates Limited and R. Scott Lambie.

7. **Share Capital**

	Ordinary Shares	'A' Ordinary Shares	TOTAL
Authorised			
Shares of 50p each	£ 8,000	£ 5,000	£ 13,000
	=====	=====	=====
Allotted, Issued & Fully Paid			
Shares of 50p each	£ 8,000	£ 5,000	£ 13,000
	=====	=====	=====

The Ordinary and 'A' Ordinary shares are to be regarded as one class of shares.