

SHARPTONE LIMITED

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Trading As

SPROAT & HARVEY

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DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD

21ST MAY 1998 TO 31ST MARCH 1999



GEORGE HAY & COMPANY

Chartered Accountants  
Registered Auditors

83 Cambridge Street,  
Pimlico,  
London. SW1V 4PS

**SHARPTONE LIMITED**

**INDEX TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 1999**

	Page
Company Information	1
Report of the Director	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 8

**SHARPTONE LIMITED**  
**COMPANY INFORMATION**

<b>DIRECTOR</b>	R. P. R. Garrett
<b>SECRETARY</b>	C. A. Hall
<b>BUSINESS ADDRESS</b>	10 St. John Street, Smithfield, London. EC1M 4AY
<b>REGISTERED OFFICE</b>	83 Cambridge Street, Pimlico, London. SW1V 4PS
<b>REGISTERED NUMBER</b>	3568597
<b>AUDITORS</b>	George Hay & Company, Chartered Accountants, Registered Auditors, 83 Cambridge Street, Pimlico, London. SW1V 4PS
<b>PRINCIPAL BANKERS</b>	Coutts & Co., St. Martin's Office, 440 Strand, London. WC2R 0QS

# SHARPTONE LIMITED

## DIRECTOR'S REPORT FOR THE PERIOD ENDED 31ST MARCH 1999

The director presents his report and the financial statements for the period ended 31st March 1999.

The company was incorporated on 21st May 1998 and commenced trading on 1st June 1998.

### STATEMENT OF 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.

### PRINCIPAL ACTIVITY

The company's principal activity during the period was the wholesale of poultry and game birds.

### DIRECTOR

The director at 31st March 1999 and his interest in the share capital of the company was as follows:

	Class of Share	Number of Shares At 31st March 1999 and on Appointment
R. P. R. Garrett	Ordinary Shares	2

### YEAR 2000

The director does not anticipate any significant problems or costs associated with the year 2000.

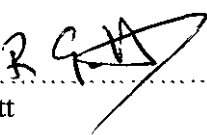
### AUDITORS

The auditors, George Hay & Company, will be proposed for re-appointment in accordance with S.385 of the Companies Act 1985.

### SMALL COMPANY RULES

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved on  
7<sup>th</sup> JANUARY 2000 and signed:

..........Director  
R. P. R. Garrett



# George Hay & Company

83 Cambridge Street Pimlico London SW1V 4PS

## TO THE SHAREHOLDERS OF SHARPTONE LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 6.

### **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 31st March 1999 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

George Hay & Company

Registered Auditors

Chartered Accountants

7<sup>TH</sup> JANUARY 2000

**SHARPTONE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD**  
**21ST MAY 1998 TO 31ST MARCH 1999**

	Notes	
Turnover		1,219,068
Cost of Sales		1,066,977
Gross Profit		<u>152,091</u>
Administrative Expenses		151,749
Operating Profit	2	<u>342</u>
Interest Payable	3	1,459
Loss on Ordinary Activities before Taxation		<u>1,117</u>
Tax on Results on Ordinary Activities	4	-
Retained Loss carried forward		<u><u>£ 1,117</u></u>

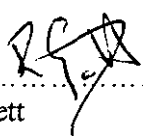
The notes on pages 6 to 8 form part of these financial statements

**SHARPTONE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 1999**

	Notes	
<b>FIXED ASSETS</b>		
Tangible Assets	5	283,951
 <b>CURRENT ASSETS</b>		
Debtors	6	178,117
Stock		4,786
		182,903
 <b>CREDITORS: Amounts Falling Due</b>		
Within One Year	7	449,166
 <b>NET CURRENT LIABILITIES</b>		(266,263)
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		17,688
 <b>CREDITORS: Amounts Falling Due</b>		
After More Than One Year	8	(18,803)
 <b>NET DEFICIENCY</b>		£ (1,115)
 <b>CAPITAL AND RESERVES</b>		
Share Capital	9	2
Profit and Loss Account		(1,117)
		£ (1,115)

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), were approved on 7.1.2000 and signed:

  
 .....Director  
 R. P. R. Garrett

The notes on pages 6 to 8 form part of these financial statements

SHARPTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 1999

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the invoiced value of goods, excluding Value Added Tax.

1.3 Depreciation

Depreciation is provided to write off the cost of the tangible assets over their estimated useful lives, using the following bases:

Equipment	25% reducing balance
Motor Vehicles	25% reducing balance

Freehold Property is valued at market value by the director. Any permanent diminutions in value are taken directly to the Profit and Loss Account.

No depreciation has been charged on freehold properties as it is the company's policy to maintain the buildings in a continual state of sound repair. The director considers that the lives of these assets are so long and the residual values so high, that their depreciation is insignificant.

1.4 Deferred Taxation

No provision has been made for deferred taxation as no liability of this nature is expected to arise in the foreseeable future.

2. OPERATING PROFIT

£

The Operating Profit is stated after charging:

Depreciation of Tangible Fixed Assets	9,385
Auditors' Remuneration	1,750
Management Charge	18,500
	<u>          </u>

3. INTEREST PAYABLE

£

Bank Overdraft Interest	1,363
Hire Purchase Interest	96
	<u>          </u>
	<u>1,459</u>

4. TAXATION

£

UK Corporation Tax at 21% based on the  
Results for the Period



**SHARPTONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 1999**

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Motor Vehicle £	Total £
Cost:				
Additions and at 31st March 1999	255,800	4,836	32,700	293,336
Depreciation:				
Charge for the Period and at 31st March 1999	-	1,209	8,176	9,385
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Net Book Value:				
At 31st March 1999	<u>255,800</u>	<u>3,627</u>	<u>24,524</u>	<u>283,951</u>

6. DEBTORS

	£
Trade Debtors (less provision)	170,501
Value Added Tax Recoverable	5,723
Prepayments	1,893
	-----
	<u>178,117</u>

7. CREDITORS: Amounts Falling Due Within One Year

	£
Bank Overdraft (secured)	63,437
Other Taxes and Social Security Costs	4,075
Other Creditors and Accruals	7,637
Amount due to Connected Company	251,792
Hire Purchase Contracts	9,810
Trade Creditors	112,415
	-----
	<u>449,166</u>

The bank overdraft is secured by way of a mortgage debenture over all assets. The bank holds a legal mortgage over the freehold property at 10 St. John Street, Smithfield, London.

8. CREDITORS: Amounts Falling Due After More Than One Year

	£
Hire Purchase Contracts	<u>18,803</u>

SHARPTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 1999

9. SHARE CAPITAL

	No.
Authorised: 1,000 Ordinary Shares of £1 each	1,000 <u><u>          </u></u>
	£
Allotted, Called Up and Fully Paid: 2 Ordinary Shares of £1 each	2 <u><u>          </u></u>

10. CONTINGENT LIABILITIES

Contingent liabilities exist in respect of guarantees given to bankers in respect of bank overdrafts for Allens Limited and R. Allen & Co. (Butchers) Limited. At 31st March 1999 the total amount owed by Allens Limited amounted to £564,922, at which date the Balance Sheet showed net assets of £388,683.

11. RELATED PARTY TRANSACTIONS

During the period Allens Limited, a company controlled by the director and his family, financed the purchase of the freehold property. Management fees of £18,500 were charged by Allens Limited during the period. At 31st March 1999 the company owed Allens Limited £251,792.