

SHARPTONE LIMITED

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Trading As

SPROAT & HARVEY

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2000

GEORGE HAY & COMPANY

Chartered Accountants
Registered Auditors

83 Cambridge Street,
Pimlico,
London. SW1V 4PS



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SHARPTONE LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2000**

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SHARPTONE LIMITED
COMPANY INFORMATION

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

SHARPTONE LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31ST MARCH 2000

The director presents his report and the financial statements for the year ended 31st March 2000.

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 year was the wholesale of poultry and game birds.

DIRECTOR

The director at 31st March 2000 and his interest in the share capital of the company was as follows:

	At 31st March 2000 Ordinary Shares	At 31st March 1999 Ordinary Shares
R. P. R. Garrett	2	2

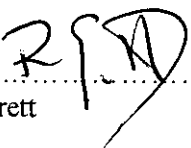
AUDITORS

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
17th November 2000 and signed:


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



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 2000), 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 2000 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

George Hay & Company

A handwritten signature in dark ink, appearing to read 'George Hay & Co.', is written over the printed name.

17th November 2000

Registered Auditors

Chartered Accountants

SHARPTONE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED
31ST MARCH 2000

	Notes	2000	Period 21st May 1998 to 31st March 1999
Turnover		1,812,846	1,219,068
Cost of Sales		(1,522,755)	1,066,977
Gross Profit		<u>290,091</u>	<u>152,091</u>
Administrative Expenses		(196,465)	(151,749)
Operating Profit	2	<u>93,626</u>	<u>342</u>
Interest Payable	3	(7,353)	(1,459)
Profit/(Loss) on Ordinary Activities before Taxation		<u>86,273</u>	<u>(1,117)</u>
Tax on Profit on Ordinary Activities	4	(14,282)	-
Profit/(Loss) for the Year		<u>71,991</u>	<u>(1,117)</u>
Retained Loss brought forward		(1,117)	-
Retained Profit/(Loss) carried forward		<u>£ 70,874</u>	<u>£ (1,117)</u>

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

SHARPTONE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2000

	Notes		1999
FIXED ASSETS			
Tangible Assets	5	262,929	283,951
CURRENT ASSETS			
Debtors	6	168,906	178,117
Stock		6,644	4,786
		<u>175,550</u>	<u>182,903</u>
CREDITORS: Amounts Falling Due Within One Year	7	(234,089)	(197,374)
NET CURRENT LIABILITIES		<u>(58,539)</u>	<u>(14,471)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		204,390	269,480
CREDITORS: Amounts Falling Due After More Than One Year			
	8	(133,514)	(270,595)
NET ASSETS/(DEFIENCY)		<u>£ 70,876</u>	<u>£ (1,115)</u>
CAPITAL AND RESERVES			
Share Capital	9	2	2
Profit and Loss Account		70,874	(1,117)
		<u>£ 70,876</u>	<u>£ (1,115)</u>

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, were approved on 17th November 2000 and signed:

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

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

SHARPTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

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
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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

	2000	1999
	£	£
The Operating Profit is stated after charging/(crediting):		
Depreciation of Tangible Fixed Assets	(6,599)	9,385
Auditors' Remuneration	1,600	1,750
Management and Secretarial Charge	-	18,500
	<u>=====</u>	<u>=====</u>

3. INTEREST PAYABLE

	2000	1999
	£	£
Bank Overdraft Interest	7,353	1,363
Hire Purchase Interest	-	96
	<u>-----</u>	<u>-----</u>
	<u>7,353</u>	<u>1,459</u>
	<u>=====</u>	<u>=====</u>

4. TAXATION

	2000	1999
	£	£
UK Corporation Tax at 20% based on the Results for the Year	14,282	-
	<u>=====</u>	<u>=====</u>

SHARPTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Motor Vehicle £	Total £
Cost:				
At 1st April 1999	255,800	4,836	32,700	293,336
Additions	2,399	2,680	-	5,079
Disposal	-	-	(32,700)	(32,700)
	-----	-----	-----	-----
Cost at 31st March 2000	258,199	7,516	-	265,715
	-----	-----	-----	-----
Depreciation:				
As at 1st April 1999	-	1,209	8,176	9,385
Charge for the Year	-	1,577	-	1,577
On Disposal	-	-	(8,176)	(8,176)
	-----	-----	-----	-----
As at 31st March 2000	-	2,786	-	2,786
	-----	-----	-----	-----
Net Book Value:				
At 31st March 2000	258,199	4,730	-	262,929
	=====	=====	=====	=====
At 31st March 1999	255,800	3,627	24,524	283,951
	=====	=====	=====	=====

6. DEBTORS

	2000 £	1999 £
Trade Debtors (less provision)	167,283	170,501
Value Added Tax Recoverable	276	5,723
Prepayments	1,347	1,893
	-----	-----
	168,906	178,117
	=====	=====

7. CREDITORS: Amounts Falling Due Within One Year

	2000 £	1999 £
Bank Overdraft (secured)	107,803	63,437
Other Taxes and Social Security Costs	-	4,075
Other Creditors and Accruals	4,256	7,637
Hire Purchase Contracts	-	9,810
Trade Creditors	107,748	112,415
Corporation Tax	14,282	-
	-----	-----
	234,089	197,374
	=====	=====

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.

SHARPTONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

8.	CREDITORS: Amounts Falling Due After More Than One Year	2000 £	1999 £
	Hire Purchase Contracts	-	18,803
	Amount Due to Connected Company	133,514	251,792
		<u>133,514</u>	<u>270,595</u>

9.	SHARE CAPITAL	2000 No.	1999 No.
	Authorised:		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
		£	£
	Allotted, Called Up and Fully Paid:		
	2 Ordinary Shares of £1 each	2	2
		<u>2</u>	<u>2</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 2000 the total amount owed by Allens Limited amounted to £398,936, at which date the Balance Sheet showed net assets of £662,068.

11. RELATED PARTY TRANSACTIONS

Included against long term creditors is an amount of £130,223 due to Allens Limited. Both companies are under the control of the main director and his family. All transactions were at arms length and no amounts were written off during the year.