

Abbreviated Financial Statements for the Year Ended 31st May 2002

for

James Kingan and Sons Limited

AMENDING



James Kingan and Sons Limited

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for the Year Ended 31st May 2002

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James Kingan and Sons Limited

Company Information
for the Year Ended 31st May 2002

DIRECTORS:

I J Kingan
R R Kingan
D S Kingan

SECRETARY:

B Jardine

REGISTERED OFFICE:

40 Main Street
New Abbey
Dumfries
Dumfries & Galloway
DG2 8BY

REGISTERED NUMBER:

24140 (Scotland)

AUDITORS:

Farries, Kirk and McVean
Chartered Accountants
30 Castle Street
Dumfries
DG1 1EN

BANKERS:

Bank of Scotland plc
91 High Street
Dumfries
Dumfries & Galloway
DG1 2BN

James Kingan and Sons Limited

Report of the Directors
for the Year Ended 31st May 2002

The directors present their report with the financial statements of the company for the year ended 31st May 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of Farming, the manufacture and sale of Animal Feed, and Timber Operations.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st May 2002.

DIRECTORS

The directors during the year under review were:

I J Kingan
R R Kingan
D S Kingan

The beneficial interests of the directors holding office on 31st May 2002 in the issued share capital of the company were as follows:

	31.5.02	1.6.01
Ordinary Shares £1 shares		
I J Kingan	-	21,500
R R Kingan	110,000	110,000
D S Kingan	110,000	88,500

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

AUDITORS

The auditors, Farries, Kirk and McVean, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



D S Kingan - DIRECTOR

Dated: 5th September 2002

James Kingan and Sons Limited

Report of the Independent Auditors to
James Kingan and Sons Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages four to thirteen, together with the full financial statements of the company for the year ended 31st May 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

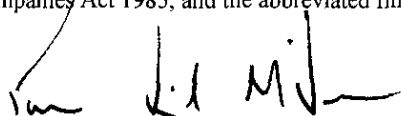
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to thirteen are properly prepared in accordance with that provision.



Farries, Kirk and McVean
Chartered Accountants
30 Castle Street
Dumfries
DG1 1EN

Dated: 5th September 2002

James Kingan and Sons Limited

Abbreviated Profit and Loss Account
for the Year Ended 31st May 2002

2001		2002
£	Notes	£
2,328,273	GROSS PROFIT	2,029,787
2,234,619	Administrative expenses	2,104,375
93,654	OPERATING (LOSS)/PROFIT	(74,588)
84,236	Interest payable and similar charges	78,776
9,418	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(153,364)
24,884	Tax on (loss)/profit on ordinary activities	(55,878)
(15,466)	LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	(97,486)
1,411,483	Retained profit brought forward	1,396,017
<u>£1,396,017</u>	RETAINED PROFIT CARRIED FORWARD	<u>£1,298,531</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these financial statements

James Kingan and Sons Limited

Abbreviated Balance Sheet
31st May 2002

2001			2002	
£	£		£	£
		FIXED ASSETS:		
2,102,705		Tangible assets	6	2,021,035
		CURRENT ASSETS:		
	545,354	Stocks	7	1,024,926
	1,129,117	Debtors	8	1,024,492
	1,372	Cash in hand		2,372
	<u>1,675,843</u>			<u>2,051,790</u>
	1,061,410	CREDITORS: Amounts falling due within one year	9	1,536,373
614,433		NET CURRENT ASSETS:		515,417
		TOTAL ASSETS LESS CURRENT LIABILITIES:		2,536,452
2,717,138				
		CREDITORS: Amounts falling due after more than one year	10	(188,637)
(215,959)				
		PROVISIONS FOR LIABILITIES AND CHARGES:	13	(49,284)
(105,162)				
<u>£2,396,017</u>				<u>£2,298,531</u>
		CAPITAL AND RESERVES:		
220,000		Called up share capital	14	220,000
780,000		Share premium	15	780,000
1,396,017		Profit and loss account		1,298,531
<u>£2,396,017</u>		SHAREHOLDERS' FUNDS:	17	<u>£2,298,531</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



D S Kingan - DIRECTOR

Approved by the Board on 5th September 2002

The notes form part of these financial statements

James Kingan and Sons Limited

Cash Flow Statement
for the Year Ended 31st May 2002

<u>2001</u>			<u>2002</u>
£		Notes	£
263,520	Net cash (outflow)/inflow from operating activities	1	(456,102)
(84,236)	Returns on investments and servicing of finance	2	(78,776)
339	Taxation		-
(111,370)	Capital expenditure	2	39,006
<u>68,253</u>			<u>(495,872)</u>
(23,049)	Financing	2	49,907
<u>£45,204</u>	(Decrease)/Increase in cash in the period		<u>£(445,965)</u>
	Reconciliation of net cash flow to movement in net debt	3	
<u>45,204</u>	(Decrease)/Increase in cash in the period		<u>(445,965)</u>
<u>45,204</u>	Change in net debt resulting from cash flows		<u>(445,965)</u>
<u>45,204</u>	Movement in net debt in the period		<u>(445,965)</u>
<u>(515,833)</u>	Net debt at 1st June		<u>(470,629)</u>
<u>£(470,629)</u>	Net debt at 31st May		<u>£(916,594)</u>

The notes form part of these financial statements

James Kingan and Sons Limited

Notes to the Cash Flow Statement
for the Year Ended 31st May 2002

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating (loss)/profit	(74,588)	93,654
Depreciation charges	130,949	138,005
Loss on sale of fixed assets	17,115	5,255
Profit on sale of fixed assets	(105,400)	-
(Increase)/Decrease in stocks	(479,572)	145,970
Decrease/(Increase) in debtors	104,625	(96,599)
Decrease in creditors	(49,231)	(22,765)
Net cash (outflow)/inflow from operating activities	(456,102)	263,520

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(78,776)	(84,236)
Net cash outflow for returns on investments and servicing of finance	(78,776)	(84,236)
Capital expenditure		
Purchase of tangible fixed assets	(120,391)	(153,770)
Sale of tangible fixed assets	159,397	42,400
Net cash inflow/(outflow) for capital expenditure	39,006	(111,370)
Financing		
New loan taken out in year	75,000	-
Loan repayments in year	(25,093)	(23,049)
Net cash inflow/(outflow) from financing	49,907	(23,049)

The notes form part of these financial statements

James Kingan and Sons Limited

Notes to the Cash Flow Statement
for the Year Ended 31st May 2002

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.6.01 £	Cash flow £	At 31.5.02 £
Net cash:			
Cash at bank and in hand	1,372	1,000	2,372
Bank overdraft	(472,001)	(446,965)	(918,966)
	<u>(470,629)</u>	<u>(445,965)</u>	<u>(916,594)</u>
 Total	 <u>(470,629)</u>	 <u>(445,965)</u>	 <u>(916,594)</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 1,372		 2,372
Bank overdraft	(472,001)		(918,966)
	<u>(470,629)</u>		<u>(916,594)</u>

The notes form part of these financial statements

James Kingan and Sons Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31st May 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	- 2% on cost
Improvements to property	- 2% on cost
Plant & Machinery	- 7 1/2% on reducing balance
Motor vehicles	- 15% on reducing balance
Office Equipment	- 7 1/2% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2002 £	2001 £
Wages and salaries	789,348	821,812
Social security costs	53,251	65,727
Other pension costs	80,083	78,286
	<u>922,682</u>	<u>965,825</u>

The average monthly number of employees during the year was as follows:

	2002	2001
Office and Management	7	7
Direct Employees	61	54
	<u>68</u>	<u>61</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging/(crediting):

	2002 £	2001 £
Hire of plant and machinery	29,663	25,013
Depreciation - owned assets	130,949	138,005
(Profit)/Loss on disposal of fixed assets	(88,285)	5,255
Auditors' remuneration	5,500	5,500
	<u>44,877</u>	<u>42,595</u>
Directors' emoluments	<u>44,877</u>	<u>42,595</u>

James Kingan and Sons Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31st May 2002

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	34,840	38,254
Bank loan interest	19,936	21,982
Loan interest	24,000	24,000
	<u>78,776</u>	<u>84,236</u>

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
Deferred tax:		
Deferred taxation	<u>(55,878)</u>	<u>24,884</u>

6. TANGIBLE FIXED ASSETS

	Totals	Buildings	Improvements to property
	£	£	£
COST:			
At 1st June 2001	3,999,723	1,021,458	79,610
Additions	120,391	-	-
Disposals	<u>(163,320)</u>	<u>(66,000)</u>	<u>-</u>
At 31st May 2002	<u>3,956,794</u>	<u>955,458</u>	<u>79,610</u>
DEPRECIATION:			
At 1st June 2001	1,897,018	156,123	3,235
Charge for year	130,949	17,525	1,590
Eliminated on disposals	<u>(92,208)</u>	<u>(26,400)</u>	<u>-</u>
At 31st May 2002	<u>1,935,759</u>	<u>147,248</u>	<u>4,825</u>
NET BOOK VALUE:			
At 31st May 2002	<u>2,021,035</u>	<u>808,210</u>	<u>74,785</u>
At 31st May 2001	<u>2,102,705</u>	<u>865,335</u>	<u>76,375</u>

James Kingan and Sons Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31st May 2002**

6. TANGIBLE FIXED ASSETS - continued

	Plant & Machinery	Motor vehicles	Office Equipment
	£	£	£
COST:			
At 1st June 2001	1,855,337	1,032,144	11,174
Additions	71,945	41,320	7,126
Disposals	(2,022)	(95,298)	-
At 31st May 2002	1,925,260	978,166	18,300
DEPRECIATION:			
At 1st June 2001	930,697	802,779	4,184
Charge for year	74,598	36,180	1,056
Eliminated on disposals	-	(65,808)	-
At 31st May 2002	1,005,295	773,151	5,240
NET BOOK VALUE:			
At 31st May 2002	919,965	205,015	13,060
At 31st May 2001	924,640	229,365	6,990

7. STOCKS

	2002 £	2001 £
Livestock	410,000	253,960
Feeding	430,926	134,067
Timber	184,000	157,327
	1,024,926	545,354

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
V.A.T.	2,270	-
Trade debtors	1,013,687	1,129,117
Prepayments	8,535	-
	1,024,492	1,129,117

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdrafts (see note 11)	1,021,288	497,094
Trade creditors	231,442	289,075
Directors current accounts	240,000	240,000
Social security & other taxes	15,246	22,174
Accrued expenses	28,397	13,067
	1,536,373	1,061,410

James Kingan and Sons Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31st May 2002

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002	2001
	£	£
Bank loans		
(see note 11)	188,637	215,959
	<u>188,637</u>	<u>215,959</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	918,966	472,001
Bank loans	102,322	25,093
	<u>1,021,288</u>	<u>497,094</u>

Amounts falling due between one and two years:

Bank loans	29,749	27,322
	<u>29,749</u>	<u>27,322</u>

Amounts falling due between two and five years:

Bank loans	106,058	97,407
	<u>106,058</u>	<u>97,407</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	52,830	91,230
	<u>52,830</u>	<u>91,230</u>

12. SECURED DEBTS

The Bank of Scotland holds a bond & floating charge over whole company assets in respect of the bank overdraft and term loan.

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2002	2001
	£	£
Deferred taxation	39,259	95,137
Bad debt provision	10,025	10,025
	<u>49,284</u>	<u>105,162</u>
	Deferred tax	Bad Debt Provision
	£	£
Balance at 1st June 2001	95,137	10,025
Change in provision	(55,878)	-
Balance at 31st May 2002	<u>39,259</u>	<u>10,025</u>

James Kingan and Sons Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31st May 2002

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
		£1	£	£
500,000	Ordinary Shares		<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
		£1	£	£
220,000	Ordinary Shares		<u>220,000</u>	<u>220,000</u>

15. SHARE PREMIUM

	2002	2001
	£	£
Brought forward	<u>780,000</u>	<u>780,000</u>

16. TRANSACTIONS WITH DIRECTORS

D S Kingan and R R Kingan are both owed £120,000 by the company (2001 - £120,000 each). Interest is payable at 10% per annum.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss for the financial year	<u>(97,486)</u>	<u>(15,466)</u>
Net reduction of shareholders' funds	<u>(97,486)</u>	<u>(15,466)</u>
Opening shareholders' funds	<u>2,396,017</u>	<u>2,411,483</u>
Closing shareholders' funds	<u>2,298,531</u>	<u>2,396,017</u>
Equity interests	<u>2,298,531</u>	<u>2,396,017</u>