

Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000
for
D McGhee & Sons Limited

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for the Period 25 July 1999 to 29 July 2000**

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D McGhee & Sons Limited

**Company Information
for the Period 25 July 1999 to 29 July 2000**

DIRECTORS: G McGhee
S McGhee
I McGhee

SECRETARY: I McGhee

REGISTERED OFFICE: 19 Murano Street
Glasgow
G20 7RQ

REGISTERED NUMBER: 28084

AUDITORS: Campbell Dallas
Chartered Accountants
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow G61 3RB

D McGhee & Sons Limited

Report of the Directors for the Period 25 July 1999 to 29 July 2000

The directors present their report with the financial statements of the company for the period 25 July 1999 to 29 July 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company in the period under review were those of production of morning goods and flour confectionery.

REVIEW OF BUSINESS

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

The supermarket sector is still providing excellent opportunities for growth which coupled with the ongoing strategic plan will allow substantial growth in sales and the overall profitability of the company.

DIVIDENDS

No dividends will be distributed for the period ended 29 July 2000.

DIRECTORS

The directors during the period under review were:

G McGhee
S McGhee
I McGhee

The beneficial interests of the directors holding office on 29 July 2000 in the issued share capital of the company were as follows:

	29.7.00	25.7.99
Ordinary £1 shares		
G McGhee	12,000	12,000
S McGhee	12,000	12,000
I McGhee	12,000	12,000

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.

D McGhee & Sons Limited

**Report of the Directors
for the Period 25 July 1999 to 29 July 2000**

AUDITORS

The auditors, Campbell Dallas, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Ian C. McGhee', written in a cursive style.

I McGhee - SECRETARY

Dated: 19/12/00

D McGhee & Sons Limited

**Report of the Auditors to
D McGhee & Sons Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to twenty one, together with the full financial statements of the company for the period ended 29 July 2000 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 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 five to twenty one are properly prepared in accordance with that provision.

Campbell Dallas
Chartered Accountants
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow G61 3RB



Dated: 22.1.01

D McGhee & Sons Limited

**Abbreviated Profit and Loss Account
for the Period 25 July 1999 to 29 July 2000**

	Notes	Period 25.7.99 to 29.7.00		Period 26.7.98 to 24.7.99	
		£	£	£	£
GROSS PROFIT			1,868,527		2,201,402
Distribution costs		1,218,250		1,190,819	
Administrative expenses		683,101		694,441	
			1,901,351		1,885,260
OPERATING (LOSS)/PROFIT	3		(32,824)		316,142
Interest payable and similar charges	4		76,198		84,064
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(109,022)		232,078
Tax on (loss)/profit on ordinary activities	5		400		-
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			(109,422)		232,078
Retained profit brought forward			877,356		715,278
			767,934		947,356
Purchase of own shares			(30,000)		(70,000)
RETAINED PROFIT CARRIED FORWARD			£737,934		£877,356

CONTINUING OPERATIONS

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

The notes form part of these financial statements

D McGhee & Sons Limited

**Statement of Total Recognised Gains and Losses
for the Period 25 July 1999 to 29 July 2000**

	Period 25.7.99 to 29.7.00	Period 26.7.98 to 24.7.99
	<u>£</u>	<u>£</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(109,422)	232,078
Revaluation of freehold property	<u>-</u>	<u>150,000</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u><u>£(109,422)</u></u>	<u><u>£382,078</u></u>

The notes form part of these financial statements

D McGhee & Sons Limited

**Abbreviated Balance Sheet
29 July 2000**

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		1,572,793		1,772,880
CURRENT ASSETS:					
Stocks	7	162,348		149,699	
Debtors	8	912,084		1,036,923	
Cash at bank and in hand		65,622		116,282	
		<u>1,140,054</u>		<u>1,302,904</u>	
CREDITORS: Amounts falling due within one year	9	<u>1,258,568</u>		<u>1,346,071</u>	
NET CURRENT LIABILITIES:			<u>(118,514)</u>		<u>(43,167)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,454,279		1,729,713
CREDITORS: Amounts falling due after more than one year	10		(476,345)		(602,357)
ACCRUALS AND DEFERRED INCOME:	14		<u>(30,000)</u>		<u>(40,000)</u>
			<u>£947,934</u>		<u>£1,087,356</u>
CAPITAL AND RESERVES:					
Called up share capital	15		42,000		48,000
Revaluation reserve	16		150,000		150,000
Capital redemption reserve	17		18,000		12,000
Profit and loss account			737,934		877,356
SHAREHOLDERS' FUNDS:	22		<u>£947,934</u>		<u>£1,087,356</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:



G McGhee - DIRECTOR

Approved by the Board on 19/12/00

The notes form part of these financial statements

D McGhee & Sons Limited

**Cash Flow Statement
for the Period 25 July 1999 to 29 July 2000**

	Notes	Period 25.7.99 to 29.7.00		Period 26.7.98 to 24.7.99	
		£	£	£	£
Net cash inflow from operating activities	1		203,161		362,253
Returns on investments and servicing of finance	2		(76,198)		(84,064)
Taxation			(400)		-
Capital expenditure	2		(80,925)		(113,380)
			<u>45,638</u>		<u>164,809</u>
Financing	2		(256,435)		(231,006)
Decrease in cash in the period			<u><u>£(210,797)</u></u>		<u><u>£(66,197)</u></u>
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period			(210,797)		(66,197)
Cash outflow from decrease in debt and lease financing			<u>260,769</u>		<u>138,689</u>
Change in net debt resulting from cash flows			49,972		72,492
New finance leases			<u>(129,544)</u>		<u>(240,581)</u>
Movement in net debt in the period			(79,572)		(168,089)
Net debt at 25 July			<u>(400,998)</u>		<u>(232,909)</u>
Net debt at 29 July			<u><u>£(480,570)</u></u>		<u><u>£(400,998)</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Period 25 July 1999 to 29 July 2000**

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

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Operating (loss)/profit	(32,824)	316,142
Depreciation charges	301,335	343,713
Profit on sale of fixed assets	(779)	-
Grant released	(22,000)	(47,800)
(Increase)/Decrease in stocks	(12,649)	13,765
Decrease/(Increase) in debtors	124,839	(243,143)
Decrease in creditors	(154,761)	(20,424)
Net cash inflow from operating activities	<u>203,161</u>	<u>362,253</u>

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

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Returns on investments and servicing of finance		
Interest paid	(55,616)	(59,720)
Interest element of hire purchase payments	(20,582)	(24,344)
Net cash outflow for returns on investments and servicing of finance	<u>(76,198)</u>	<u>(84,064)</u>
Capital expenditure		
Purchase of tangible fixed assets	(95,584)	(116,280)
Sale of tangible fixed assets	14,659	2,900
Net cash outflow for capital expenditure	<u>(80,925)</u>	<u>(113,380)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Period 25 July 1999 to 29 July 2000**

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

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Financing		
Loan repayments in year	(256,435)	(281,006)
Government funding	-	50,000
	<u> </u>	<u> </u>
Net cash outflow from financing	<u>(256,435)</u>	<u>(231,006)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 25.7.99 £	Cash flow £	Other non-cash changes £	At 29.7.00 £
Net cash:				
Cash at bank and in hand	116,282	(50,660)		65,622
Bank overdraft	(223,681)	(160,137)		(383,818)
	<u>(107,399)</u>	<u>(210,797)</u>		<u>(318,196)</u>
Debt:				
Hire purchase	(293,599)	260,769	(129,544)	(162,374)
	<u>(293,599)</u>	<u>260,769</u>	<u>(129,544)</u>	<u>(162,374)</u>
Total	<u>(400,998)</u>	<u>49,972</u>	<u>(129,544)</u>	<u>(480,570)</u>

Analysed in Balance Sheet

Cash at bank and in hand	116,282	65,622
Bank overdraft	(223,681)	(383,818)
Hire purchase		
within one year	(115,978)	(72,695)
after one year	(177,621)	(89,679)
	<u>(400,998)</u>	<u>(480,570)</u>

The notes form part of these financial statements

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost and 5% on cost
Leasehold property	- Over the period of the lease
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

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 the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the period are charged in the profit and loss account.

Government grants

Regional development and other capital grants are allocated to deferred grants account and released to profit evenly over the estimated useful lives of the assets concerned.

D McGhee & Sons Limited

Notes to the Abbreviated Financial Statements for the Period 25 July 1999 to 29 July 2000

2. STAFF COSTS

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Wages and salaries	2,822,573	2,639,766
Social security costs	209,950	214,063
Other pension costs	80,511	54,144
	<u>3,113,034</u>	<u>2,907,973</u>

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

	Period 25.7.99 to 29.7.00	Period 26.7.98 to 24.7.99
Production	117	107
Sales and distribution	97	103
Administration	19	19
	<u>233</u>	<u>229</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (1999 - operating profit) is stated after charging/(crediting):

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Depreciation - owned assets	253,850	258,164
Depreciation - assets on hire purchase contracts	47,485	85,549
Profit on disposal of fixed assets	(779)	-
Auditors' remuneration	9,000	7,000
	<u>139,453</u>	<u>131,621</u>

The number of directors to whom retirement benefits were accruing was as follows:

	3	3
Defined benefit schemes	<u>3</u>	<u>3</u>

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Bank interest	55,616	59,720
Hire purchase	20,582	24,344
	<u>76,198</u>	<u>84,064</u>

5. TAXATION

The tax charge on the loss on ordinary activities for the period was as follows:

	Period 25.7.99 to 29.7.00 £	Period 26.7.98 to 24.7.99 £
Prior year underprovision	<u>400</u>	<u>-</u>

UK corporation tax has been charged at 20.70%

6. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION:					
At 25 July 1999	1,025,044	36,500	1,612,066	325,437	2,999,047
Additions	22,405	-	79,483	13,240	115,128
Disposals	-	-	(55,672)	(71,738)	(127,410)
At 29 July 2000	<u>1,047,449</u>	<u>36,500</u>	<u>1,635,877</u>	<u>266,939</u>	<u>2,986,765</u>
DEPRECIATION:					
At 25 July 1999	286,094	10,636	747,075	182,362	1,226,167
Charge for period	36,011	5,096	201,766	58,462	301,335
Eliminated on disposals	-	-	(55,672)	(57,858)	(113,530)
At 29 July 2000	<u>322,105</u>	<u>15,732</u>	<u>893,169</u>	<u>182,966</u>	<u>1,413,972</u>
NET BOOK VALUE:					
At 29 July 2000	<u>725,344</u>	<u>20,768</u>	<u>742,708</u>	<u>83,973</u>	<u>1,572,793</u>
At 24 July 1999	<u>738,950</u>	<u>25,864</u>	<u>864,991</u>	<u>143,075</u>	<u>1,772,880</u>

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

6. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 29 July 2000 is represented by:

	Freehold property	Leasehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
Valuation in 1999	150,000	-	-	-	150,000
Cost	897,449	36,500	1,635,877	266,939	2,836,765
	<u>1,047,449</u>	<u>36,500</u>	<u>1,635,877</u>	<u>266,939</u>	<u>2,986,765</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2000 £	1999 £
Cost	<u>897,449</u>	<u>870,594</u>
Aggregate depreciation	<u>322,105</u>	<u>255,525</u>
Value of land in freehold land and buildings	<u>750,000</u>	<u>750,000</u>

Freehold property was valued on an open market basis on 31 October 1997 by King Sturge & Co, Chartered Surveyors.

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

6. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 25 July 1999	524,161	96,359	620,520
Additions	9,808	13,240	23,048
Disposals	-	(37,491)	(37,491)
Transferred to ownership	(217,386)	(34,953)	(252,339)
	<u>316,583</u>	<u>37,155</u>	<u>353,738</u>
At 29 July 2000			
DEPRECIATION:			
At 25 July 1999	92,305	51,716	144,021
Charge for period	41,210	6,275	47,485
Eliminated on disposals	-	(27,268)	(27,268)
Transferred to ownership	(63,302)	(12,463)	(75,765)
	<u>70,213</u>	<u>18,260</u>	<u>88,473</u>
At 29 July 2000			
NET BOOK VALUE:			
At 29 July 2000	<u>246,370</u>	<u>18,895</u>	<u>265,265</u>
At 24 July 1999	<u>431,856</u>	<u>44,643</u>	<u>476,499</u>

7. STOCKS

	2000	1999
	£	£
Stock	<u>162,348</u>	<u>149,699</u>

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

	2000	1999
	£	£
Trade debtors	799,906	879,343
Other debtors	61,641	95,387
Prepayments	50,537	62,193
	<u>912,084</u>	<u>1,036,923</u>

D McGhee & Sons Limited

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

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

	2000 £	1999 £
Bank loans and overdrafts (see note 11)	439,374	298,833
Hire purchase contracts (see note 12)	72,695	115,978
Trade creditors	544,904	667,775
Other creditors	13,334	46,667
Social security & other taxes	69,255	55,461
Accrued expenses	119,006	161,357
	<u>1,258,568</u>	<u>1,346,071</u>

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

	2000 £	1999 £
Bank loans (see note 11)	333,333	401,403
Other creditors	53,333	23,333
Hire purchase contracts (see note 12)	89,679	177,621
	<u>476,345</u>	<u>602,357</u>

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

11. LOANS AND OVERDRAFTS

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

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	383,818	223,681
Bank loans	<u>55,556</u>	<u>75,152</u>
	<u>439,374</u>	<u>298,833</u>
Amounts falling due between one and two years:		
Bank loans	<u>55,556</u>	<u>68,069</u>
Amounts falling due between two and five years:		
Bank loans	<u>166,667</u>	<u>166,667</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>111,110</u>	<u>166,667</u>

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2000 £	1999 £
Gross obligations repayable:		
Within one year	84,615	137,501
Between one and five years	108,682	191,143
In more than five years	-	35,937
	<u>193,297</u>	<u>364,581</u>
Finance charges repayable:		
Within one year	11,920	21,523
Between one and five years	19,003	49,459
	<u>30,923</u>	<u>70,982</u>
Net obligations repayable:		
Within one year	72,695	115,978
Between one and five years	89,679	141,684
In more than five years	-	35,937
	<u>162,374</u>	<u>293,599</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiring:				
Within one year	66,398	39,030	71,712	3,502
Between one and five years	9,250	19,250	118,192	114,749
In more than five years	25,400	25,400	-	11,457
	<u>101,048</u>	<u>83,680</u>	<u>189,904</u>	<u>129,708</u>

D McGhee & Sons Limited

Notes to the Abbreviated Financial Statements for the Period 25 July 1999 to 29 July 2000

13. SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Bank overdrafts	383,818	223,681
Bank loans	388,889	476,555
	<u>772,707</u>	<u>700,236</u>

The loan not wholly repayable within 5 years is a bank term loan at 2% per annum over Bank of Scotland base rate repayable in monthly instalments of £4,630.

The bank loans and overdraft are secured by a standard security over one of the company's heritable properties, a bond and floating charge over the company's assets and assignation over the life assurance policies of Mr G McGhee, a company director.

14. ACCRUALS AND DEFERRED INCOME

	2000 £	1999 £
Deferred government grants		
Brought forward	40,000	37,800
Received in year	-	50,000
To Profit & Loss Account	<u>(10,000)</u>	<u>(47,800)</u>
	<u>30,000</u>	<u>40,000</u>

15. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2000 £	1999 £
60,000	Ordinary	£1	<u>60,000</u>	<u>60,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
42,000	Ordinary	£1	42,000	48,000
(1999 - 48,000)			<u>42,000</u>	<u>48,000</u>

During the year the company converted 6,000 ordinary shares to £30,000 loan stock, redeemable at par on death of the Note holder, with an interest rate of 10% per annum.

D McGhee & Sons Limited

Notes to the Abbreviated Financial Statements for the Period 25 July 1999 to 29 July 2000

16. REVALUATION RESERVE

	2000	1999
	£	£
Brought forward	<u>150,000</u>	<u>150,000</u>

17. CAPITAL REDEMPTION RESERVE

	2000	1999
	£	£
Purchase of own shares	<u>18,000</u>	<u>12,000</u>

As per note 16, the company purchased 6000 of it's own ordinary shares during the year.

18. CONTINGENT LIABILITIES

The company has guaranteed the following borrowings and obligations of Scullions Wholesale Bakery Limited (see note 21):-

- a) The bank overdraft facility, which amounted to £295,481 at 29 July 2000.
- b) Loans due amounting to £312,634 at 29 July 2000 (1999: £171,428).
- c) Certain trade creditors amounting to £39,204 at 29 July 2000 (1999: £34,110).
- d) An obligation to pay Mr R Scullion and Mr J Scullion ten per cent of the proceeds of any future sale of Scullions Wholesale Bakery Limited's heritable property. There is no intention to dispose of this property.

19. PENSION COMMITMENTS

The company operates a funded, defined contribution scheme for all qualified employees and contributions are determined by the scheme actuary on the basis of triennial valuations. The assets of the scheme are held separately from the company's being invested with insurance companies.

The last actuarial valuation was carried out as at 6 April 1998 using the projected unit credit method and the notional value of the Deposit Administration Scheme as at the valuation date was £650,775. This actuarial value was sufficient to cover 88% of the benefits which had accrued to members. At the valuation date, there was no deficiency on a current funding basis.

The following actuarial assumptions were applied in the valuation as at 6 April 1998:

Rate of interest	7.0% per annum
Salary growth	5.5% per annum

The pension charge for the year was £80,511 (1999: £54,144).

20. TRANSACTIONS WITH DIRECTORS

During the year, Mr Gordon McGhee purchased two of the company cars for £9,000.

During the year, Mr Ian McGhee purchased a company car for £5,660.

**Notes to the Abbreviated Financial Statements
for the Period 25 July 1999 to 29 July 2000**

21. RELATED PARTY DISCLOSURES

The company directors are also the directors of Scullions Wholesale Bakery Limited, a company incorporated in Scotland.

During the year the following transactions took place with Scullions Wholesale Bakery Limited, in the course of ordinary business:-

Sales to Scullions Wholesale Bakery Limited	£489,858
Purchases from Scullions Wholesale Bakery Limited	£566,356

The net balance owed by Scullions Wholesale Bakery Limited at 29 July 2000 amounted to £23,881.

In addition the company has guaranteed obligations of Scullions Wholesale Bakery Limited as set out in note 19.

All sums are Cross Guaranteed between the two companies.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/Profit for the financial period	(109,422)	232,078
Other recognised gains and losses relating to the period (net)	-	150,000
Own shares purchased	(30,000)	(70,000)
Net (reduction)/addition to shareholders' funds	(139,422)	312,078
Opening shareholders' funds	1,087,356	775,278
Closing shareholders' funds	947,934	1,087,356
Equity interests	947,934	1,087,356