

A&J Macnaughton Limited

Report and abbreviated accounts

Registered number 32244

31 January 2000

IAM.



Contents

Report of the auditors to A&J Macnaughton Limited	1
Balance sheet	2
Notes	3



37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

Report of the auditors to A&J Macnaughton Limited

pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of A&J Macnaughton Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 January 2000.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts are properly prepared in accordance with those provisions.

KPMG
Chartered Accountants
Registered Auditors

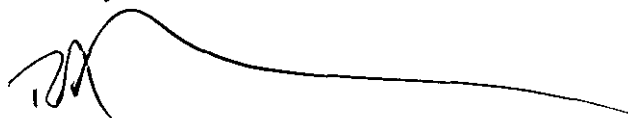
8 September 2000

Balance sheet
at 31 January 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	2		261,128		352,780
Investments	3		6,535		6,535
			267,663		359,315
Current assets					
Stocks		311,755		419,463	
Debtors		230,578		283,074	
Cash at bank and in hand		820,189		615,951	
		1,362,522		1,318,488	
Creditors:					
amounts falling due within one year		(42,018)		(48,578)	
Net current assets			1,320,504		1,269,910
Total assets less current liabilities			1,588,167		1,629,225
Capital and reserves					
Called up share capital	4	59,000		59,000	
Revaluation reserve		236,141		298,154	
Other reserves		794		794	
Profit and loss account		1,292,232		1,271,277	
Equity shareholders' funds			1,588,167		1,629,225

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors on 8 September 2000 and were signed on its behalf by:



BAC Macnaughton
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings.

Tangible fixed assets and depreciation

Depreciation is provided by the company to write off the cost, net of government grants, or valuation less the estimated residual value of fixed tangible assets by equal instalments over their estimated useful economic lives as follows:

Freehold land and buildings	-	50 years
Plant and equipment	-	3-15 years
Motor vehicles	-	4 years

Depreciation is provided on freehold land as it is not practicable to separate the value of the land from that of the buildings. The directors consider that the effect of the depreciation charge is not material.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Exchange differences arising on translation are dealt with in the profit and loss account.

Grants

Revenue grants are credited to the profit and loss account when received. Capital grants are deducted from the cost of the related tangible fixed asset.

Leased assets

Payments on operating leases are charged to profit and loss account in the year in which they become payable. Assets acquired under finance leases or hire purchase contracts are capitalised and outstanding instalments are included in creditors.

Pension

A defined contribution pension scheme is in operation covering certain directors and employees. The pension cost charged represents contributions payable by the company.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is defined as actual invoice cost and net realisable value as the estimated selling price less further expected costs prior to disposal.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

2 Fixed tangible assets

	Total £
<i>Cost or valuation</i>	
At 31 January 1999	500,367
Additions	12,686
Disposals	(90,000)
At 31 January 2000	423,053
<i>Depreciation</i>	
At 31 January 1999	147,587
Charge for year	18,045
Disposals	(3,707)
At 31 January 2000	161,925
<i>Net book value</i>	
At 31 January 2000	261,128
At 31 January 1999	352,780

Notes (continued)

2 Fixed tangible assets (continued)

Details of revalued assets are given below:

Land and buildings

	2000 £	1999 £
At 1997 open market value	250,000	340,000
Aggregate depreciation	(12,039)	(9,634)
Net book value	237,961	330,366
Historical cost of revalued assets	4,548	48,946
Aggregate depreciation on historical cost basis	(2,728)	(15,143)
Historical cost net book value	1,820	33,803

Other tangible fixed assets, including additions, subsequent to the revaluation of land and buildings, are included at cost.

The land and buildings were revalued externally in September 1997 by Finlayson Hughes, a firm of chartered surveyors, on an open market basis in accordance with RICS Statement of Asset Valuation Practice and Guidance Notes.

3 Fixed asset investments

	2000 £	1999 £
Unquoted		
At beginning and end of year	6,535	6,535

4 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
Ordinary shares of £1 each	60,000	60,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	59,000	59,000

5 Guarantee

The company has granted a standard security over heritable property and a bond and floating charge in security of group bank borrowings. A cross guarantee exists between all group companies for all sums due to the Clydesdale Bank PLC. At 31 January 2000 group net bank borrowings amounted to £782,398 (1999: £447,341).

Notes *(continued)*

6 Ultimate holding company

The company is a subsidiary undertaking of Macnaughton Holdings Limited registered in Scotland.

The largest group in which the results of the company are consolidated is that headed by Macnaughton Holdings Limited. The consolidated accounts of this company are available to the public and may be obtained from the Registrar of Companies, 37 Castle Terrace, Edinburgh, EH1 2EB. No other group accounts include the results of the company.