REGISTERED

A.J. ALLAN (BLAIRNYLE) LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

Registered number: 32256



A.J. ALLAN (BLAIRNYLE) LTD.

DIRECTORS' REPORT

31st May 1998

The directors present their report and the financial statements for the year ended 31st May 1998.

Principal activity

The principal activity of the company is Farming.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st May 1998 Ordinary shares	1st June 1997 Ordinary shares
A.T. Allan	50	50
W.W. Allan	50	50

In accordance with the Articles of Association, both directors retire by rotation and offer themselves for re-election.

Small company exemptions

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

On behalf of the board

E.K. ALLAN
Secretary

24th February 1999

A.J. ALLAN (BLAIRNYLE) LTD.

ACCOUNTANTS' REPORT

**Accountants' report to the directors
on the unaudited financial statements of
A.J. Allan (Blairnyle) Ltd.**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st May 1998, set out on pages 3 to 11, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Alexander Sloan & Co.
Chartered Accountants
Glasgow
24th February 1999

A.J. ALLAN (BLAIRNYLE) LTD.

PROFIT AND LOSS ACCOUNT

for the year ended 31st May 1998

	Note	1998 £	1997 £
Turnover		94,573	144,059
Cost of sales		(21,574)	(47,740)
Gross profit		72,999	96,319
Net operating expenses			
Administrative expenses		(80,145)	(87,326)
Other operating income		14,603	8,490
Operating profit	2	7,457	17,483
Investment income	4	144	-
Interest payable		(16,947)	(15,445)
(Loss)/profit on ordinary activities before taxation		(9,346)	2,038
Taxation	5	1,080	(865)
(Loss)/profit on ordinary activities after taxation retained for the year	12	(8,266)	1,173

Movements in reserves are shown in note 12.

A.J. ALLAN (BLAIRNYLE) LTD.

BALANCE SHEET

at 31st May 1998

	Note	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	6		225,902		235,327
Investments	7		70		432
			225,972		235,759
Current assets					
Stocks		105,655		107,106	
Debtors	8	16,666		11,848	
		122,321		118,954	
Creditors: amounts falling due within one year	9	(141,830)		(133,318)	
Net current liabilities			(19,509)		(14,364)
Total assets less current liabilities			206,463		221,395
Creditors: amounts falling due after more than one year	10		(66,111)		(72,777)
			140,352		148,618
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		140,252		148,518
Total shareholders' funds			140,352		148,618

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A.J. ALLAN (BLAIRNYLE) LTD.

BALANCE SHEET
(continued)

at 31st May 1998

The directors consider that for the year ended 31st May 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements on pages 3 to 11 were approved by the board of directors on 24th February 1999 and signed on its behalf by:

A.T. Allan.

A.T. Allan
Chairman

A.J. ALLAN (BLAIRNYLE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover
Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the U.K.(1997 nil).

Depreciation
Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	5% to 22.5% Reducing Balance
Motor vehicles	20% Reducing Balance

No depreciation has been charged on Farmland and Buildings as the directors are of the opinion that the current market value of the property exceeds book value.

Deferred Taxation
The Directors consider that it is unlikely that a liability for Deferred Tax will arise in the foreseeable future and no provision has been made. The potential liability not provided for amounts to £3586 (1997 £4596).

2 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Interest receivable	35	16
and after charging		
Loss on sale of assets	-	2,100
Depreciation of tangible fixed assets (note 6)		
Owned assets	5,772	5,517
Leased assets	4,883	10,177
	10,655	15,694

A.J. ALLAN (BLAIRNYLE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

3 Directors

	1998 £	1997 £
Directors' emoluments	29,344	29,300

4 Investment income

	1998 £	1997 £
Other non-trading income	144	-
	144	-

5 Taxation

	1998 £	1997 £
Corporation tax on loss on ordinary activities at 21% (1997 23.5%)	(1,080)	862
Under provision in earlier years	-	3
	(1,080)	865

A.J. ALLAN (BLAIRNYLE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

6 Tangible fixed assets

	Land and Buildings	Plant and Machinery etc	Total
Cost	£	£	£
1st June 1997	170,992	149,006	319,998
Additions	-	1,230	1,230
31st May 1998	170,992	150,236	321,228
Depreciation			
1st June 1997	-	84,671	84,671
Charge for year	-	10,655	10,655
31st May 1998	-	95,326	95,326
Net book amount			
31st May 1998	170,992	54,910	225,902
1st June 1997	170,992	64,335	235,327

The net book amount of fixed assets includes £17,402 (1997 £40,179) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

A.J. ALLAN (BLAIRNYLE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

7 FIXED ASSET INVESTMENTS

	Investments other than loans £
Cost	
1st June 1997	432
Additions	-
31st May 1998	432
Amounts written off	
Disposals	362
31st May 1998	362
Net book amount	
31st May 1998	70
1st June 1997	432

8 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	14,036	10,249
Other debtors	2,630	1,599
	16,666	11,848

A.J. ALLAN (BLAIRNYLE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

9 **Creditors:** amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	97,347	80,501
Trade creditors	33,739	37,329
Obligations under finance leases and hire purchase contracts - note 10	1,573	8,371
Corporation tax	-	1,756
Other taxation and social security	2,366	1,011
Other creditors	6,805	4,350
	141,830	133,318

10 **Creditors:** amounts falling due after more than one year

	1998 £	1997 £
Bank loans	66,111	72,777
	66,111	72,777
Creditors other than finance lease and hire purchase contracts		
Amounts falling due after more than five years	39,444	46,110

11 **Called up share capital**

	1998 £	1997 £
Authorised		
Ordinary shares of £1 each	100	100
Allotted called up and fully paid		
Ordinary Shares of £1 each	100	100

A.J. ALLAN (BLAIRNYLE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

12 Profit and loss account

	1998 £
1st June 1997	148,518
Retained loss for the year	(8,266)
31st May 1998	140,252

A.J. ALLAN (BLAIRNYLE) LTD.

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31st May 1998

	1998		1997	
	£	£	£	£
Turnover				
Cattle		22,819		43,118
Milk		71,754		100,941
		94,573		144,059
Cost of sales				
Purchases (adjusted for stock)	18,774		44,940	
Grazing	800		800	
Salaries and wages	2,000		2,000	
		21,574		47,740
Gross profit		72,999		96,319
Other operating income				
Wayleaves	155		110	
Grants and Subsidies	14,413		8,364	
Interest Receivable	35		16	
		14,603		8,490
		87,602		104,809
Less overheads				
Rates and Insurance	8,475		6,874	
Heat and Light	6,217		6,090	
Vetinary, Medicine and A.I. costs	1,438		2,668	
General Expenditure	1,115		819	
Repairs and Upkeep	26,375		25,406	
Accountancy Fees	1,875		1,982	
Commission	859		1,119	
Telephone charges	1,043		1,284	
Directors' emoluments	19,814		19,931	
Employer's National insurance	1,780		1,781	
Depreciation motor vehicles	389		486	
Depreciation plant and machinery	10,266		15,208	
Bank charges	499		1,478	
Bank interest	7,728		6,756	
Bank loan interest	7,657		6,075	
Other interest	1,284		708	
Hire purchase interest	278		1,906	
Legal and professional fees	-		100	
Loss on sale of assets	-		2,100	
		97,092		102,771
Net trading (loss)/profit for the year		(9,490)		2,038
Other income				
Profit on sale of investments		144		-
Net (loss)/profit for the year		(9,346)		2,038