

McKERCHAR AND MACNAUGHTON LIMITED
COMPANY NO. 33621

ACCOUNTS
AT 14TH JANUARY 1996

MOIR WOOD & CO.,
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
PERTH



DIRECTORS' REPORT

The Directors present their report with the financial statements of the company for the year ended 14th January 1996.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's only activity during the year was the lease of property.

DIVIDENDS

The Directors recommend that no dividend be declared.

FIXED ASSETS

There was no change in fixed assets during the year.

FUTURE DEVELOPMENTS

The company will continue to lease its property.

DIRECTORS

The Directors of the company in office during the year and their beneficial interest in the issued share capital were:-

Name	Class of Capital	14/1/96	14/1/95 or date of appointment
James Macnaughton	Ord. £1	7,416	11,708
Miss Catherine Macnaughton	Ord. £1	11,708	11,708
Mrs. R. Macnaughton (appointed 28/3/95)	Ord. £1	4,292	4,292

CLOSE COMPANY PROVISIONS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

APPROVED BY THE BOARD OF DIRECTORS



JAMES MACNAUGHTON
Secretary

Date: 13 . 6 . 96

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.

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF
McKERCHAR AND MACNAUGHTON LIMITED

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As described on the balance sheet on page 5 you are responsible for the preparation of the accounts for the year ended 14th January 1996, set out on pages 4 to 8 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfill your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Moir Wood & Co

MOIR WOOD & CO.
CHARTERED ACCOUNTANTS
PERTH

Date: *13th June 1996*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 14TH JANUARY 1996

		1996	1995
Staff Costs	Note 3	£ 10,120	£ 10,406
Administrative Expenses		<u>247</u>	<u>217</u>
		£ 10,367	£ 10,623
Other Operating Income			
Rents		<u>12,000</u>	<u>12,000</u>
Operating Profit	Note 2	£ 1,633	£ 1,377
Interest Receivable	Note 4	<u>11</u>	<u>7</u>
Profit on Ordinary Activities before Taxation		£ 1,644	£ 1,384
Tax on Profit on Ordinary Activities	Note 5	<u>146</u>	<u>-</u>
Profit for the Financial Year		£ 1,498	£ 1,384
		=====	=====

CONTINUING OPERATIONS

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit/(Loss) for the Financial Year	£ 1,498	£ 1,384
Amounts transferred from revaluation reserve	<u>-</u>	<u>180,619</u>
Total recognised gains relating to the year	£ 1,498	£ 182,003
	=====	=====

BALANCE SHEET AS AT 14TH JANUARY 1996

		1996	1995
FIXED ASSETS			
Tangible Assets	Note 6	£ 20,237	£ 20,237
CURRENT ASSETS			
Debtors - other		£ 1,626	£ 1,556
Cash at Bank		<u>6,172</u>	<u>4,755</u>
		£ 7,798	£ 6,311
CREDITORS: Amounts falling due within one year	Note 7	<u>(2,587)</u>	<u>(2,576)</u>
NET CURRENT ASSETS		<u>10,385</u>	<u>£ 8,887</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 30,622</u>	<u>£ 29,124</u>
		=====	=====
CAPITAL AND RESERVES			
Called up Share Capital	Note 8	£ 42,000	£ 42,000
Capital Reserve	Note 9	41	41
Revaluation Reserve	Note 9	14,522	14,522
Profit and Loss Account	Note 9	<u>(25,941)</u>	<u>(27,439)</u>
EQUITY SHAREHOLDERS' FUNDS	Note 10	<u>£ 30,622</u>	<u>£ 29,124</u>
		=====	=====

The directors confirm that for the year ending 14th January 1996 the company was entitled to the exemption under subsection (1) of section 249A of the Companies Act 1985; the directors confirm that no notice requiring an audit had been deposited under subsection (2) of section 249B of the Companies Act 1985 in relation to the accounts for the financial year; the directors acknowledge their responsibility for:

- (a) ensuring that the company keeps accounting records which comply with section 221; and
- (b) preparing accounts 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 Companies Act 1985 relating to accounts, so far as applicable to the company.

APPROVED BY THE BOARD OF DIRECTORS

Catherine A. Macnaughton

CATHERINE MACNAUGHTON
Director

Date: 13. 6. 96

NOTES TO THE ACCOUNTS AT 14TH JANUARY 1996

NOTE 1

ACCOUNTING POLICIES

Basis of Preparation of Accounts

The Accounts are prepared under the historical cost convention as modified to include the revaluation of freehold land and buildings. The company has taken advantage of the exemptions in Financial Reporting Standards No. 1 from the requirement to produce a Cash Flow Statement on the grounds that it is a small company.

Tangible Fixed Assets

Tangible fixed assets are stated at cost or valuation less depreciation.

No depreciation is provided on freehold land or buildings. The directors, having assessed the lives of the buildings consider that the residual values are such that depreciation is immaterial. Depreciation is provided on other tangible fixed assets at rates calculated to write off the cost, less their estimated residual value, over their expected useful lives on the following basis:

Plant - 20% reducing balance basis

Deferred Taxation

No Deferred Taxation is provided in the Accounts.

NOTE 2

OPERATING PROFIT

This is stated after charging or crediting:

	1996	1995
Directors' Remuneration	£ 10,000	£ 10,000
Bank Interest payable	2	-
	=====	=====

NOTE 3

STAFF COSTS

Directors' Salaries (excluding N.I.C.)	£ 10,000	£ 10,000
	=====	=====

NOTE 4

INTEREST RECEIVABLE

Bank Interest	£ 11	£ 7
	=====	=====

NOTE 5

TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge based on the profit before tax comprises:-

U.K. Corporation Tax at 25% (1995 - 25%)	£ 146	£ -
	=====	=====

NOTES TO THE ACCOUNTS AT 14TH JANUARY 1996(CONT'D)

NOTE 6

FIXED ASSETS - TANGIBLE

The movement on these accounts during the year was as follows:

	Freehold Land and Buildings	Plant	Total
Cost or valuation			
At 15th January 1995 and 14th January 1996	£19,512 =====	£1,500 =====	£21,012 =====
Accumulated depreciation:			
At 15th January 1995 and 14th January 1996	£ - =====	£ 775 =====	£ 775 =====
Net book amount:			
At 14th January 1996 and 14th January 1995	£19,512 =====	£ 725 =====	£20,237 =====

Freehold land and buildings at 14th January 1996 comprised:

Cost	£ 4,990
1984 Revaluation	<u>14,522</u>
	£19,512 =====

On an historical cost basis freehold land and buildings would have been included as £4,990 (1995 - £4,990).

NOTE 7

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Directors Loan Account - James Macnaughton	£ (1,444)	£ (1,634)
" " " - Miss Macnaughton	1,075	1,075
Loan Account - Mrs. J. Macnaughton	(2,569)	(2,569)
Sundry Creditors	<u>351</u>	<u>552</u>
	£ (2,587) =====	£ (2,576) =====

NOTE 8

CALLED UP SHARE CAPITAL

	Authorised		Issued	
	1996	1995	1996	1995
Ordinary Shares of £1 each	42,000 =====	42,000 =====	42,000 =====	42,000 =====

NOTE 9

RESERVES

	Capital Reserve	Revaluation Reserve	Profit and Loss Account
At 14th January 1995	£41	£ 14,522	£ (27,439)
Retained profit for the year	-	-	<u>1,498</u>
At 14th January 1996	£41 =====	£ 14,522 =====	£ (25,941) =====

NOTES TO THE ACCOUNTS AT 14TH JANUARY 1996 (CONT'D)

NOTE 10

RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS

	1996	1995
Profit for the financial year	<u>£ 1,498</u>	<u>£ 1,384</u>
Net Additions to Shareholders' Funds	<u>£ 1,498</u>	<u>£ 1,384</u>
Opening Shareholders' Funds	<u>29,124</u>	<u>27,740</u>
Closing Shareholders' Funds	<u>£30,622</u>	<u>£29,124</u>
	=====	=====