

McKERCHAR AND MACNAUGHTON LIMITED
FINANCIAL STATEMENTS
14 JANUARY 1998

Company Registration Number 33621

MOIR WOOD & CO
Chartered Accountants
3 Kinnoull Street
Perth



McKERCHAR AND MACNAUGHTON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 14 JANUARY 1998

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McKERCHAR AND MACNAUGHTON LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 14 JANUARY 1998

The directors present their report and the unaudited financial statements of the company for the year ended 14 January 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

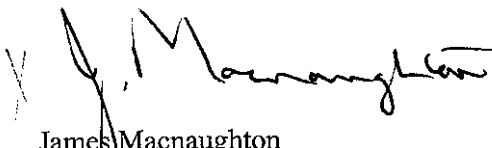
	Ordinary Shares of £1 each	
	At 14 January 1998	At 15 January 1997
Mr J Macnaughton	7,416	7,416
Miss C A Macnaughton	11,708	11,708
Mrs R Macnaughton	<u>4,292</u>	<u>4,292</u>

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

Registered office:
2 Bank Street
Aberfeldy
Perthshire
PH15 2BA

Signed by order of the directors


James Macnaughton
Company Secretary

Approved by the directors on 30.6.98

McKERCHAR AND MACNAUGHTON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 14 JANUARY 1998

	Note	1998 £	1997 £
TURNOVER	2	12,000	12,000
Administrative expenses		15,557	10,410
OPERATING (LOSS)/PROFIT	3	<u>(3,557)</u>	<u>1,590</u>
Interest receivable		13	33
Interest payable	6	(4)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(3,548)</u>	<u>1,623</u>
Tax on (loss)/profit on ordinary activities	7	1	394
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(3,549)</u>	<u>1,229</u>
Balance brought forward		(24,711)	(25,940)
Balance carried forward		<u>(28,260)</u>	<u>(24,711)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

McKERCHAR AND MACNAUGHTON LIMITED**BALANCE SHEET****14 JANUARY 1998**

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	8	20,237	<u>20,237</u>
CURRENT ASSETS			
Debtors	9	5,277	5,518
Cash at bank and in hand		4,099	<u>7,789</u>
		<u>9,376</u>	<u>13,307</u>
CREDITORS: Amounts falling due within one year	10	<u>(1,310)</u>	<u>(1,692)</u>
NET CURRENT ASSETS		8,066	<u>11,615</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,303</u>	<u>31,852</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	42,000	42,000
Revaluation reserve		14,522	14,522
Other reserves	13	41	41
Profit and loss account		<u>(28,260)</u>	<u>(24,711)</u>
SHAREHOLDERS' FUNDS	14	<u>28,303</u>	<u>31,852</u>

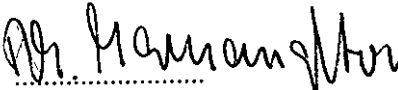
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the directors on the30.6.....1998 and are signed on their behalf by:


MISS C A MACNAUGHTON


MRS R MACNAUGHTON

McKERCHAR AND MACNAUGHTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 14 JANUARY 1998

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant - 20% reducing balance basis

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.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	1998 £	1997 £
United Kingdom	<u>12,000</u>	<u>12,000</u>

3. OPERATING LOSS/PROFIT

Operating loss/profit is stated after charging:

	1998 £	1997 £
Directors' emoluments	<u>10,000</u>	<u>10,000</u>

McKERCHAR AND MACNAUGHTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 14 JANUARY 1998****4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	1998 No.	1997 No.
Administration	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	1998 £	1997 £
Wages and salaries	10,000	10,000
Social security costs	241	121
Other pension costs	<u>5,000</u>	<u>-</u>
	<u>15,241</u>	<u>10,121</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	1998 £	1997 £
Emoluments receivable	<u>10,000</u>	<u>10,000</u>

6. INTEREST PAYABLE

	1998 £	1997 £
Interest payable on bank borrowing	<u>4</u>	<u>-</u>

McKERCHAR AND MACNAUGHTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 14 JANUARY 1998****7. TAX ON LOSS/PROFIT ON ORDINARY ACTIVITIES**

	1998 £	1997 £
In respect of the year:		
Corporation tax based on the results for the year at 21% (1997 - 24%)	-	393
Adjustment in respect of previous years:		
Corporation tax	<u>1</u>	<u>1</u>
	<u>1</u>	<u>394</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant £	Total £
COST OR VALUATION			
At 15 January 1997 and 14 January 1998	<u>19,512</u>	<u>1,500</u>	<u>21,012</u>
DEPRECIATION			
At 15 January 1997	<u>-</u>	<u>775</u>	<u>775</u>
At 14 January 1998	<u>-</u>	<u>775</u>	<u>775</u>
NET BOOK VALUE			
At 14 January 1998	<u>19,512</u>	<u>725</u>	<u>20,237</u>
At 14 January 1997	<u>19,512</u>	<u>725</u>	<u>20,237</u>

Revaluation of fixed assets

Freehold land and buildings at 14 January 1998 comprised:

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

On an historical cost basis freehold land and buildings would have been included as £4,990 (1997 - £4,990).

McKERCHAR AND MACNAUGHTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 14 JANUARY 1998

8. TANGIBLE FIXED ASSETS *(continued)*

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	1998 £	1997 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	<u>19,512</u>	<u>Nil</u>
Historical cost	<u>4,990</u>	<u>Nil</u>

9. DEBTORS

	1998 £	1997 £
Other debtors	<u>5,277</u>	<u>5,518</u>

Included within other debtors due within one year is a loan of £1,153 (1997 - £1,394) to J Macnaughton, a director of the company. The maximum amount outstanding during the year was £1,394.

10. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Other creditors including taxation and social security:		
Corporation tax	-	394
Other creditors	235	223
Directors current accounts	<u>1,075</u>	<u>1,075</u>
	<u>1,310</u>	<u>1,692</u>

11. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

McKERCHAR AND MACNAUGHTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 14 JANUARY 1998****12. SHARE CAPITAL****Authorised share capital:**

	1998	1997
	£	£
42,000 Ordinary shares of £1 each	<u>42,000</u>	<u>42,000</u>

Allotted, called up and fully paid:

	1998	1997
	£	£
Ordinary share capital	<u>42,000</u>	<u>42,000</u>

13. OTHER RESERVES

	1998	1997
	£	£
Capital redemption reserve	<u>41</u>	<u>41</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
(Loss)/Profit for the financial year	(3,549)	1,229
Opening shareholders' equity funds	<u>31,852</u>	<u>30,623</u>
Closing shareholders' equity funds	<u>28,303</u>	<u>31,852</u>