

McKERCHAR AND MACNAUGHTON LIMITED
FINANCIAL STATEMENTS
14 JANUARY 2001

Company Registration Number 33621

MOIR WOOD & CO
Chartered Accountants
3 Kinnoull Street
Perth
PH1 5EW



McKERCHAR AND MACNAUGHTON LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 14 JANUARY 2001

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McKERCHAR AND MACNAUGHTON LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 14 JANUARY 2001**

The directors present their report and the unaudited financial statements of the company for the year ended 14 January 2001.

PRINCIPAL ACTIVITIES

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

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 2001	At 15 January 2000
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

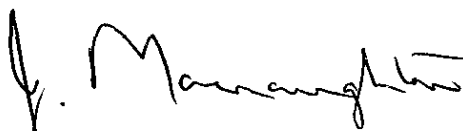
In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Corriebraich
Taybridge Drive
Aberfeldy
Perthshire
PH15 2BP

Signed by order of the directors


JAMES MACNAUGHTON
Company Secretary

Approved by the directors on 14/7/01.

McKERCHAR AND MACNAUGHTON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 14 JANUARY 2001

	Note	2001 £	2000 £
TURNOVER		14,000	14,000
Administrative expenses		13,480	13,658
OPERATING PROFIT		520	342
Interest receivable		59	32
Interest payable		(3)	(9)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		576	365
Tax on profit on ordinary activities	3	(7)	(15)
RETAINED PROFIT FOR THE FINANCIAL YEAR		569	350

McKERCHAR AND MACNAUGHTON LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 14 JANUARY 2001

	2001 £	2000 £
Profit for the financial year attributable to the shareholders	569	350
Unrealised profit on revaluation of properties	-	85,488
Total gains and losses recognised since the last annual report	<u>569</u>	<u>85,838</u>

McKERCHAR AND MACNAUGHTON LIMITED**BALANCE SHEET****14 JANUARY 2001**

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	4	105,725	105,725
CURRENT ASSETS			
Debtors	5	1,708	1,709
Cash at bank		5,833	4,863
		7,541	6,572
CREDITORS: Amounts falling due within one year	6	(868)	(468)
NET CURRENT ASSETS		6,673	6,104
TOTAL ASSETS LESS CURRENT LIABILITIES		112,398	111,829
CAPITAL AND RESERVES			
Called-up equity share capital	8	42,000	42,000
Revaluation reserve		100,010	100,010
Other reserves		41	41
Profit and Loss Account	9	(29,653)	(30,222)
SHAREHOLDERS' FUNDS		112,398	111,829

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 financial statements 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 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 have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 14/1/01, and are signed on their behalf by:

Catherine A. Macnaughton
MISS C A MACNAUGHTON

R. Macnaughton
MRS R MACNAUGHTON

McKERCHAR AND MACNAUGHTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 14 JANUARY 2001

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 the Financial Reporting Standard for Smaller Entities (effective March 2000).

The true and fair override provisions of the Companies Act 1985 have been invoked, see 'investment properties' below.

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.

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; see 'investment properties' below.

Investment properties

All of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with Statement of Standard Accounting Practice number 19, as follows:

- (i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year; and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation or amortisation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

McKERCHAR AND MACNAUGHTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 14 JANUARY 2001

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Assets held for use in operating leases are included as a separate category in fixed assets.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

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.

2. DIRECTORS' EMOLUMENTS

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

	2001	2000
	£	£
Aggregate emoluments	11,600	11,600
Value of company pension contributions to money purchase schemes	1,000	1,000
	<u>12,600</u>	<u>12,600</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2001	2000
	No.	No.
Money purchase schemes	<u>1</u>	<u>1</u>

McKERCHAR AND MACNAUGHTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 14 JANUARY 2001****3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2001 £	2000 £
In respect of the year:		
Corporation Tax based on the results for the year at 20% (2000 - 20%)	7	6
Adjustment in respect of previous years:		
Corporation Tax	-	9
	<u>7</u>	<u>15</u>

Tax losses available for carry forward amount to approximately £450 (2000 - £900).

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant £	Total £
COST OR VALUATION			
At 15 January 2000 and 14 January 2001	<u>105,000</u>	<u>1,500</u>	<u>106,500</u>
DEPRECIATION			
At 15 January 2000	-	775	775
At 14 January 2001	<u>-</u>	<u>775</u>	<u>775</u>
NET BOOK VALUE			
At 14 January 2001	<u>105,000</u>	<u>725</u>	<u>105,725</u>
At 14 January 2000	<u>105,000</u>	<u>725</u>	<u>105,725</u>

Revaluation of fixed assets

Freehold land and buildings at 14 January 2001 comprised:

	£
Cost	4,990
1984 Revaluation	14,522
2000 Revaluation	85,488
	<u>105,000</u>

The freehold property was valued at £105,000 on 14 January 2001 by the directors of the company on an open market basis.

McKERCHAR AND MACNAUGHTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 14 JANUARY 2001****4. TANGIBLE FIXED ASSETS** *(continued)*

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

	2001 £	2000 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	<u>105,000</u>	<u>105,000</u>
Historical cost	<u>4,990</u>	<u>4,990</u>

The freehold property represents assets held for use in operating leases and is wholly comprised of 'investment properties'.

5. DEBTORS

	2001 £	2000 £
Other debtors	<u>1,708</u>	<u>1,709</u>

Included within other debtors due within one year is a loan of £1,000 (2000 - £1,001) to J Macnaughton, a director of the company. The maximum amount outstanding during the year was £1,001.

6. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Other creditors including taxation:		
Corporation Tax	7	6
Other creditors	<u>861</u>	<u>462</u>
	<u>868</u>	<u>468</u>

7. RELATED PARTY TRANSACTIONS

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

8. SHARE CAPITAL**Authorised share capital:**

	2001 £	2000 £
42,000 Ordinary shares of £1.00 each	<u>42,000</u>	<u>42,000</u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>42,000</u>	<u>42,000</u>

McKERCHAR AND MACNAUGHTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 14 JANUARY 2001****9. PROFIT AND LOSS ACCOUNT**

	2001	2000
	£	£
Balance brought forward	(30,222)	(30,572)
Retained profit for the financial year	<u>569</u>	<u>350</u>
Balance carried forward	<u>(29,653)</u>	<u>(30,222)</u>