

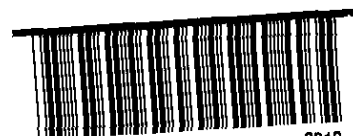
**SCOBIE & JUNOR (HOLDINGS) LIMITED
AND SUBSIDIARIES**

FINANCIAL STATEMENTS

**FOR THE PERIOD 27 JUNE 1999 TO
30 JUNE 2000**

COMPANY NUMBER: 47779 (SCOTLAND)

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SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

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SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	W T L WICKLOW BSc (Econ), M Inst M (Chairman) MRS C F C WICKLOW M Ed
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SECRETARY	W J M SECRETARIES LIMITED
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BANKERS	THE ROYAL BANK OF SCOTLAND PLC 11 PRINCES SQUARE EAST KILBRIDE G74 1LR
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AUDITORS	SINCLAIR WOOD & CO CHARTERED ACCOUNTANTS 90 MITCHELL STREET GLASGOW G1 3NQ
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SOLICITORS	WRIGHT, JOHNSTON & MACKENZIE SOLICITORS 302 ST VINCENT STREET GLASGOW G2 5RZ
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REGISTERED OFFICE	302 ST VINCENT STREET GLASGOW G2 5RZ
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COMPANY NUMBER	47779 (SCOTLAND)
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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the company and group for the period 27 June 1999 to 30 June 2000.

Results and dividends

The results for the group for the period are detailed in the consolidated profit and loss account.

No dividends were paid during the period (1999: £Nil).

Principal activities

The principal activities of the company are those of a holding company.

The principal activities of the group have continued to be the manufacture and sale of elastic meat netting, the sale of food casings, packaging materials, food ingredients and other items associated with these activities.

Fixed assets

Movements of fixed assets during the period are detailed in notes 7 and 8 of the financial statements.

Directors and their interests

The directors of the company during the period and their beneficial interests (including family interests) in the share capital were as follows:

	<u>Ordinary Shares of 5 Pence Each</u>	
	<u>At 30/06/00</u>	<u>At 26/06/99</u>
	<u>Number</u>	<u>Number</u>
W T L Wicklow		
BSc (Econ), M Inst M (Chairman)	468,000	468,000
Mrs C F E Wicklow M Ed	132,000	132,000

Directors' responsibilities for the financial statements

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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

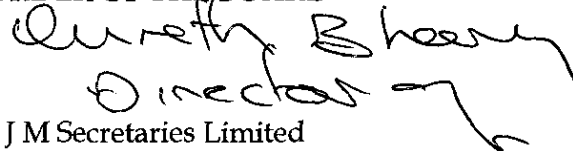
Directors' responsibilities for the financial statements
(continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Messrs Sinclair Wood & Co., Chartered Accountants as auditors to the company and group will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD


Director
W J M Secretaries Limited

Secretary

90 Mitchell Street
Glasgow G1 3LY

17 January 2001

Date:

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 23 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described in the directors' report, the group's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

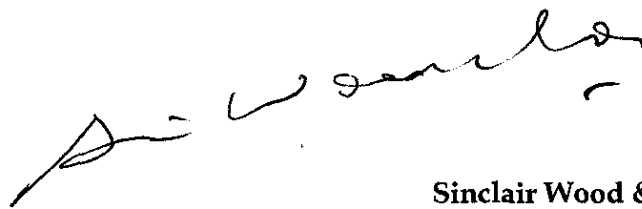
Basis of opinion

We conducted our audit in accordance with the Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and group's affairs as at 30 June 2000 and of their results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Sinclair Wood & Co.,
Chartered Accountants
& Registered Auditors**

90 Mitchell Street
Glasgow G1 3NQ

17 January 2001

Date:

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 27 JUNE 1999 TO 30 JUNE 2000**

		Period 27/06/99 to 30/06/00	Period 28/06/98 to 26/06/99
	Note	£	£
TURNOVER – Continuing operations	2	13,220,211	12,412,302
Cost of sales		(9,583,688)	(9,072,076)
GROSS PROFIT		<u>3,636,523</u>	<u>3,340,226</u>
Other operating expenses (net)	4	(3,146,420)	(2,929,826)
OPERATING PROFIT – Continuing operations		<u>490,103</u>	<u>410,400</u>
Interest payable less receivable	5	(130,191)	(157,923)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>359,912</u>	<u>252,477</u>
Taxation	6	(34,692)	(63,284)
Profit on ordinary activities after taxation		<u>325,220</u>	<u>189,193</u>
Retained profit transferred to reserves		<u>325,220</u> =====	<u>189,193</u> =====

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD 27 JUNE 1999 TO 30 JUNE 2000**

	Period 27/06/99 to 30/06/00	Period 28/06/98 to 26/06/99
	£	£
Profit for the financial period	325,220	189,193
Surplus arising on revaluation	650,040	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>975,260</u> =====	<u>189,193</u> =====

The notes on pages 10 to 23 form part of these financial statements.

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

**COMPANY PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 27 JUNE 1999 TO 30 JUNE 2000**

		Period 27/06/99 to 30/06/00	Period 28/06/98 to 26/06/99
	Note	£	£
TURNOVER - Continuing operations	2	-	-
Other operating income (net)	4	74,951	87,316
		<u>74,951</u>	<u>87,316</u>
Interest payable less receivable	5	996	-
Income from shares in group undertakings		500,000	-
		<u>575,947</u>	<u>87,316</u>
Profit on ordinary activities before taxation		575,947	87,316
Taxation	6	(15,300)	(19,668)
		<u>560,647</u>	<u>67,648</u>
Profit on ordinary activities after taxation		560,647	67,648
		<u>560,647</u>	<u>67,648</u>
Retained profit transferred to reserves		<u>560,647</u>	<u>67,648</u>

There are no recognised gains and losses in 2000 or 1999 other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 23 form part of these financial statements.

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

**GROUP BALANCE SHEET
AS AT 30 JUNE 2000**

			30 June 2000	26 June 1999
	Note	£	£	£
FIXED ASSETS				
Tangible assets	7.1		2,331,387	1,767,529
CURRENT ASSETS				
Stocks	9	1,716,588		1,595,565
Debtors	10	2,656,851		2,486,723
Cash at bank and in hand		660,821		367,544
			<u>5,034,260</u>	<u>4,449,832</u>
CREDITORS DUE WITHIN ONE YEAR				
Loans and overdrafts	11	(1,529,726)		(1,406,453)
Other creditors	12	(2,889,314)		(2,472,540)
			<u>(4,419,040)</u>	<u>(3,878,993)</u>
NET CURRENT ASSETS			615,220	570,839
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,946,607</u>	<u>2,338,368</u>
CREDITORS DUE AFTER ONE YEAR				
Loans and overdrafts	13	(120,000)		(335,000)
Other creditors	14	(80,602)		(163,812)
			<u>(200,602)</u>	<u>(498,812)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	15	(56,457)		(113,020)
DEFERRED INCOME	16	(93,544)		(105,792)
			<u>(350,603)</u>	<u>(717,624)</u>
TOTAL NET ASSETS			<u>2,596,004</u>	<u>1,620,744</u>
CAPITAL AND RESERVES				
Called up share capital	17		30,000	30,000
Revaluation reserve	18		1,027,846	377,806
Capital redemption reserve	18		30,000	30,000
Profit and loss account	18		1,508,158	1,182,938
Shareholders' funds	19		<u>2,596,004</u>	<u>1,620,744</u>

These financial statements were approved by the board of directors on 17 January 2001 and signed on its behalf by:

W T L

W T L Wicklow
W T L Wicklow

Director.....

17 January 2001

Date.....

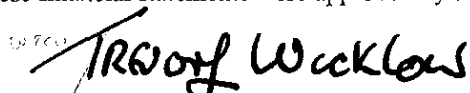
The notes on pages 10 to 23 form part of these financial statements.

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

**COMPANY BALANCE SHEET
AS AT 30 JUNE 2000**

	Note	£	30 June 2000 £	30 June 1999 £
FIXED ASSETS				
Tangible fixed assets	7.2		1,700,000	-
Investments	8		62,535	32,537
			<u>1,762,535</u>	<u>32,537</u>
CURRENT ASSETS				
Debtors	10	500,522		959,797
Cash at bank and in hand		81,156		792
		<u>581,678</u>		<u>960,589</u>
CREDITORS DUE WITHIN ONE YEAR				
Loans and overdrafts	11	(68,198)		(60,000)
Other creditors	12	(1,070,108)		(301,471)
		<u>(1,138,306)</u>		<u>(361,471)</u>
Net current (liabilities)/assets			(556,628)	599,118
DEBTORS DUE AFTER ONE YEAR	10		220,000	285,000
Total assets less current liabilities			<u>1,425,907</u>	<u>916,655</u>
CREDITORS DUE AFTER ONE YEAR				
Loans and overdrafts	13	(120,000)		(185,000)
Provision for liabilities and charges	15	(13,605)		-
		<u>(133,605)</u>	(133,605)	<u>(185,000)</u>
TOTAL NET ASSETS			<u>1,292,302</u>	<u>731,655</u>
CAPITAL RESERVES				
Called up share capital	17		30,000	30,000
Capital redemption reserve	18		30,000	30,000
Profit and loss account	18		1,232,302	671,655
Shareholders' funds	19		<u>1,292,302</u>	<u>731,655</u>

These financial statements were approved by the board of directors on 17 January 2001 and signed on its behalf:


W T L Wicklow

Director

17 January 2001

Date

The notes on pages 10 to 23 form part of these financial statements

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 27 JUNE 1999 TO 30 JUNE 2000**

		2000	1999
	Notes	£	£
Reconciliation of operating profit to net			
Cash inflow from operating activities:			
Operating profit		490,103	410,400
Depreciation charges		236,619	217,818
Loss/(gain) on sale of fixed assets		15,178	1,173
Write back of deferred income		(12,248)	(12,248)
(Increase)/decrease in stocks		(121,023)	77,632
(Increase)/decrease in debtors		(170,128)	(498,640)
Increase/(decrease) in creditors		381,657	209,609
Net cash inflow from operating activities		820,158	405,744
		=====	=====

CASH FLOW STATEMENT

Net cash inflow from operating activities		820,158	405,744
Returns on investments and servicing of finance	20	(148,443)	(157,923)
Taxation		(61,294)	(37,715)
Capital expenditure	20	(165,256)	(144,852)
Cash inflow/(outflow) before use of liquid resources and financing		445,165	65,254
Financing	20	(305,329)	(186,742)
Increase/(Decrease) in cash in the period		139,836	(121,488)
		=====	=====

**Reconciliation of net cash flow
to movement in net debt (Note 21)**

Increase/(Decrease) in cash in the period		139,836	(121,488)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		316,567	191,215
Movement in net debt in the period		456,403	69,727
Net debt at beginning of period		(1,703,798)	(1,773,525)
Net debt at end of period		(1,247,395)	(1,703,798)
		=====	=====

The notes on pages 10 to 23 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000

1. **PRINCIPAL ACCOUNTING POLICIES**

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

a. **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.

The group financial statements consolidate the financial statements of Scobie & Junor (Holdings) Limited and its subsidiaries made up to 30 June 2000.

b. **Depreciation**

Depreciation is provided by the group to write off the cost or valuation of fixed tangible assets evenly over their estimated useful economic lives as follows:

Freehold land & buildings	- over 50 years (previously 75)
Leasehold land & buildings	- over the period of the lease
Leasehold improvements	- over 20 years
Plant & fittings	- over 4 to 20 years
Motor vehicles	- over 4 years

c. **Leases**

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a fixed tangible asset and is depreciated over the shorter of its estimated useful life and the lease term. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account as interest and the capital element, which reduces the outstanding obligation from the future instalments.

All other leases are operating leases and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

d. **Government grants**

Government grants are credited to deferred income and are written off to trading profit over the estimated useful economic lives of the assets to which they relate.

e. **Stocks**

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumable and goods for resale, the average purchase price is used. Cost of work in progress and finished goods stocks includes an appropriate proportion of production overheads.

f. **Deferred taxation**

Provision is made for taxation deferred by accelerated capital allowances and other timing differences to the extent that a liability is likely to arise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

g. **Investments**

Fixed asset investments are stated at cost less any amounts written off for permanent diminution in value.

h. **Foreign currencies**

Income and expenditure in foreign currencies is converted to Sterling at rates approximating to those ruling at the date of each transaction. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates ruling at the balance sheet date.

i. **Pension costs**

Accounting policies for pension costs are explained in note 23 to the financial statements.

2. **TURNOVER**

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, mainly within the United Kingdom, and is stated net of Value Added Tax.

3. **STAFF COSTS - GROUP**

	2000 £	1999 £
Wages and salaries	2,094,803	1,965,603
Social security costs	197,776	166,224
Other pension costs	145,343	153,932
	<u>2,437,922</u>	<u>2,285,759</u>
	=====	=====

The average weekly number of employees during the year was as follows:

	Number	Number
Full-time	92	92
Part-time	-	-
	<u>92</u>	<u>92</u>
	===	===

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000 (Continued)

4. OTHER OPERATING EXPENSES/(INCOME) (NET)

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Distribution costs & administrative expenses	2,544,675	2,341,222	49,354	28,171
Depreciation of tangible assets (note 7)	236,619	217,553	-	-
Less depreciation included in cost of sales	(116,351)	(109,605)	-	-
Auditors' remuneration – Audit services	15,525	23,000	-	-
- Non-audit services	2,600	2,500	-	-
Directors' remuneration – (see below)	464,517	473,669	400,448	310,459
Directors' pension – (see below)	27,252	29,638	14,772	10,624
Loss/(gain) on sale of fixed assets	15,178	1,173	-	-
Sundry income	(31,347)	(37,076)	(539,525)	(436,570)
Government grant release (note 16)	(12,248)	(12,248)	-	-
	<u>3,146,420</u>	<u>2,929,826</u>	<u>(74,951)</u>	<u>(87,316)</u>
	=====	=====	=====	=====
	£	£	£	£
Directors' remuneration consists of:				
Fees	-	-	-	-
Other emoluments	464,517	458,644	400,448	310,459
Ex-gratia payment	-	15,025	-	-
	<u>464,517</u>	<u>473,669</u>	<u>400,448</u>	<u>310,459</u>
	=====	=====	=====	=====
Directors' pension consists of:				
	£	£	£	£
Pension	19,752	22,138	14,772	10,624
Additional voluntary contributions	7,500	7,500	-	-
	<u>27,252</u>	<u>29,638</u>	<u>14,772</u>	<u>10,624</u>
	=====	=====	=====	=====

The emoluments, excluding pension contributions of the chairman, who was also the highest paid director, amounted to £173,316 (1999: £192,821).

The number of other directors whose emoluments, excluding pension contributions, fell in each £5,000 bracket was as follows:

	Number of Directors	
	2000	1999
£Nil - £ 5,000	1	1
£ 15,001 - £ 20,000	-	1
£ 30,001 - £ 35,000	-	1
£ 41,001 - £ 45,000	1	1
£ 60,001 - £ 65,000	1	-
£ 85,001 - £ 90,000	1	-
£ 90,001 - £ 95,000	-	2
£105,001 - £110,000	1	-

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2000**

5. INTEREST PAYABLE LESS RECEIVABLE

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Interest on bank loans, overdrafts and other loans wholly repayable within five years	155,938	172,780	16,177	23,312
Finance charges payable under finance leases or hire purchase contracts	17,013	17,182	-	-
Interest on overdue taxation	-	50	-	-
Bank interest receivable	(42,760)	(14,460)	(17,173)	-
Interest receivable from group companies	-	-	-	(23,312)
	<u>130,191</u>	<u>175,552</u>	<u>(996)</u>	<u>-</u>
Interest included in cost of sales	-	(17,629)	-	-
	<u>130,191</u>	<u>157,923</u>	<u>(996)</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

6. TAXATION

	Group		Company	
	£	£	£	£
U.K. corporation tax on results for the year at 24.17 % (1999: 22.19%)	91,255	61,295	15,300	19,668
Deferred taxation at 30% (1999: 30%)	(56,563)	1,989	-	-
	<u>34,692</u>	<u>63,284</u>	<u>15,300</u>	<u>19,668</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000 (Continued)

7.1 TANGIBLE FIXED ASSETS - GROUP

	<u>Land and Buildings</u>		Plant & Fittings	Motor Vehicles	Total
	Freehold	Long Leasehold			
	£	£	£	£	£
Cost or valuation:					
At beginning of period	635,000	490,274	1,849,248	414,081	3,388,603
Additions	-	-	106,570	100,875	207,445
(Disposals)	-	-	-	(120,724)	(120,724)
Adjustment on revaluation	315,000	265,000	-	-	580,000
At end of period	950,000	755,274	1,955,818	394,232	4,055,324
Depreciation:					
At beginning of period	31,751	24,217	1,317,817	247,289	1,621,074
Provided during the period	12,695	5,654	140,466	77,804	236,619
(Disposals)	-	-	-	(63,715)	(63,715)
Adjustment on revaluation	(44,446)	(25,595)	-	-	(70,041)
At end of period	-	4,276	1,458,283	261,378	1,723,937
Net book value:					
At end of period	950,000	750,998	497,535	132,854	2,331,387
At beginning of period	603,249	466,057	531,431	166,792	1,767,529
Comparable amounts according to the historical cost convention:					
Cost:	444,488	437,991	1,955,818	394,232	3,232,529
Depreciation:	50,585	139,005	1,458,283	261,378	1,909,251
Net book value:					
At end of year	393,903	298,986	497,535	132,854	1,323,278
At beginning of year	402,793	304,826	531,431	166,792	1,405,842

The land and buildings were valued at 24 May 2000 on an open market basis by Knight Frank, Chartered Surveyors, Glasgow. If the land and buildings were sold at their valuation a maximum tax charge of £245,256 would arise.

The net book value of the group's fixed assets includes £275,130 (1999: £313,045) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge for the period includes £88,036 (1999: £86,923) for these assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2000 (Continued)

7.2 TANGIBLE FIXED ASSETS - COMPANY

	Land and Buildings		
	Freehold	Long Leasehold	Total
	£	£	£
Cost:			
At beginning of period	-	-	-
Additions	950,000	750,000	1,700,000
(Disposals)	-	-	-
At end of period	950,000	750,000	1,700,000
Depreciation:			
At beginning of period	-	-	-
Provided during the period	-	-	-
(Disposals)	-	-	-
At end of period	-	-	-
Net book value:			
At end of period	950,000	750,000	1,700,000
	=====	=====	=====
At beginning of period	-	-	-
	=====	=====	=====

No depreciation has been provided in the company's financial statements since the land and buildings were transferred on the last day of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2000 (Continued)**

	2000	1999
	£	£
8. INVESTMENTS HELD AS FIXED ASSETS - COMPANY		
Shares in unlisted subsidiary companies at cost:		
At beginning of period	32,537	32,537
Additions	29,998	-
(Disposals)	-	-
At end of period	62,535	32,537
	=====	=====

The companies in which the group has an interest are as follows:

Company name, country of registration and nature of business	Class of Shares	Percentage held	Aggregate capital and reserves	Profit/(Loss) for period after tax
Scobie & Junor (Estd. 1919) Ltd., Scotland, Food industry supplies	Ordinary	100%	£149,757 (1999 : £70,756)	£ 79,001 (1999 : £17,530)
Scobie & Junor (Ireland) Ltd., Scotland, Food industry supplies	Ordinary	100%	£803,808 (1999 : £749,859)	£53,844 (1999 : £ 59,448)
Scotnet (1974) Ltd., Scotland, Food industry supplies	Ordinary	100%	£1,016,822 (1999 : £100,906)	£235,878 (1999 : £44,567)
			2000	1999
			£	£

9. STOCKS - GROUP

Raw materials	188,472	117,761
Work in progress	33,336	12,962
Finished goods and goods for resale	1,494,780	1,464,842
	1,716,588	1,595,565
	=====	=====

The replacement cost of stocks is not materially different from the amounts shown above.

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

10. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
<u>Due within one year</u>				
Trade debtors	2,311,146	2,170,047	-	-
Prepayments and accrued income	88,030	78,920	-	-
Amounts owed by associated companies	-	-	500,522	959,797
Other debtors	257,675	237,756	-	-
	<u>2,656,851</u>	<u>2,486,723</u>	<u>500,522</u>	<u>959,797</u>
	=====	=====	=====	=====
<u>Due after one year</u>				
	£	£	£	£
Amounts owed by associated companies	-	-	220,000	285,000
	=====	=====	=====	=====

11. CREDITORS DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
<u>Loans and overdrafts</u>				
Bank overdrafts	33,372	-	-	-
Directors' pension scheme No.1 loan	-	142,000	-	-
Directors' pension scheme No.2 loan	150,000	-	-	-
Royscot loan accounts	1,278,156	1,158,087	-	-
Royal Bank of Scotland plc No.1 loan	60,000	60,000	60,000	60,000
Royal Bank of Scotland plc No. 2 loan	-	45,834	-	-
Directors' loan account	8,198	532	8,198	-
	<u>1,529,726</u>	<u>1,406,453</u>	<u>68,198</u>	<u>60,000</u>
	=====	=====	=====	=====

The bank overdraft facilities are secured by a standard security over the freehold and long leasehold property and by a bond and floating charge over all of the assets of Scotnet (1974) Limited.

The directors' pension scheme No.2 loan is repayable on 1 July 2001 and bears interest at 3% above the Barclays Bank plc's base rate.

The Royscot loan accounts bear interest at 2% above the Royal Bank of Scotland plc's base rate and are secured over certain of the group's trade debtors.

The Royal Bank of Scotland plc No. 1 loan is repayable by monthly instalments, the last of which is due in June 2003 and bears interest at 2% above the Royal Bank of Scotland plc's base rate.

Scobie & Junor (Estd. 1919) Limited has guaranteed the obligations of Scobie & Junor (Holdings) Limited to the Royal Bank of Scotland plc up to £620,000 secured by a standard security over the long leasehold and freehold property and by a floating charge over all the company's assets.

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

12. CREDITORS DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Other creditors				
Trade creditors	1,538,574	1,437,688	-	-
Obligations under finance leases or hire purchase contracts	177,888	166,077	-	-
Amounts owed to associated companies	-	-	767,642	-
Current corporation tax	91,255	61,295	15,300	19,668
Social security and other taxes	108,335	76,803	9,374	7,752
Accruals and deferred income	973,262	730,677	277,792	274,051
	<u>2,889,314</u>	<u>2,472,540</u>	<u>1,070,108</u>	<u>301,471</u>
	=====	=====	=====	=====

Payments under operating leases which
are due to be made in the next year are:

	£	£	£	£
Lease expiring within one year	29,468	9,413	-	-
Leases expiring between one and five years	74,118	90,995	-	-
Lease expiring after five years	24,750	27,411	-	-
	<u>128,336</u>	<u>127,819</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

13. CREDITORS DUE AFTER ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Loans and overdrafts				
Directors' pension scheme No.2 loan (see note 11)	-	150,000	-	-
Royal Bank of Scotland plc No.1 loan (see note 11)	120,000	185,000	120,000	185,000
	<u>120,000</u>	<u>335,000</u>	<u>120,000</u>	<u>185,000</u>
	=====	=====	=====	=====

The above amounts are repayable within five years.

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

14. CREDITORS DUE AFTER ONE YEAR- GROUP

	2000	1999
	£	£
<u>Other creditors</u>		
Obligations under finance leases or hire purchase contracts	80,602	163,812
	=====	=====

The above amounts are repayable within five years.

15. PROVISION FOR LIABILITIES AND CHARGES - GROUP

	Group	Company
	£	£
<u>Deferred taxation</u> - Accelerated Capital Allowances		
At beginning of period	113,020	-
(Released)/charged to profit and loss account		
- ordinary activities	(56,563)	-
Transferred from subsidiary company	-	13,605
At end of period	56,457	13,605
	=====	=====

Full provision has been made for deferred taxation in respect of all timing differences except in respect of taxation estimated at £245,256 which would arise on disposal of the company's land and buildings at the value included in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000

16. DEFERRED INCOME - GROUP

	Government Grants
	£
At beginning of period	105,792
Released to profit and loss account	(12,248)
Grants received during period	-
At end of period	<u>93,544</u>

17. SHARE CAPITAL

	Authorised		Allotted, Called Up and Fully Paid	
	2000 Number	1999 Number	2000 £	1999 £
Ordinary shares of 5 pence each	600,000	600,000	30,000	30,000

18. MOVEMENTS IN RESERVES

	Group			Company	
	Profit And Loss Account	Revaluation Reserve	Capital Redemption Reserve	Profit and Loss Account	Capital Redemption Reserve
At beginning of period	1,182,938	377,806	30,000	671,655	30,000
Retained profit transferred to reserves	325,220	-	-	560,647	-
Revaluation surplus	-	650,040	-	-	-
At end of period	<u>1,508,158</u>	<u>1,027,846</u>	<u>30,000</u>	<u>1,232,302</u>	<u>30,000</u>

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

19. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS' FUNDS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Retained profit transferred to reserves	325,220	189,193	560,647	67,648
Surplus on revaluation	650,040	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net increase in shareholders funds for period	975,260	189,193	560,647	67,648
Opening shareholders' funds	1,620,744	1,431,551	731,655	664,007
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing shareholders' funds	2,596,004	1,620,744	1,292,302	731,655
	=====	=====	=====	=====

20. GROSS CASH FLOWS - GROUP

	2000	1999
	£	£
Returns on investments and servicing of finance		
Interest received	42,760	14,460
Interest paid	(174,190)	(155,201)
Interest element of finance lease rental payments	(17,013)	(17,182)
	<u> </u>	<u> </u>
	(148,443)	(157,923)
	=====	=====
Capital expenditure		
Payments to acquire tangible fixed assets	(207,445)	(178,543)
Receipts from sales of tangible fixed assets	72,187	33,691
Payments to acquire fixed asset investments	(29,998)	-
	<u> </u>	<u> </u>
	(165,256)	(144,852)
	=====	=====
Financing		
Finance leases advanced	170,921	247,480
Directors' loan advanced/(repaid)	7,666	(7,265)
Pension fund loan (repaid)/advanced	(142,000)	(108,000)
Repayment of other loans	(110,834)	(127,500)
Capital element of finance lease rental payments	(231,082)	(191,457)
	<u> </u>	<u> </u>
	(305,329)	(186,742)
	=====	=====

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

21. ANALYSIS OF CHANGES IN NET DEBT - GROUP

	At beginning of period	Cash flows	At end of period
	£	£	£
Cash at bank and in hand	367,544	293,277	660,821
Overdrafts and Royscot loan accounts	(1,158,087)	(153,441)	(1,311,528)
		<u>139,836</u>	
Debt due within one year	(248,366)	30,168	(218,198)
Debt due after one year	(335,000)	215,000	(120,000)
Finance leases	(329,889)	71,399	(258,490)
		<u>316,567</u>	
	<u>(1,703,798)</u>	<u>456,403</u>	<u>(1,247,395)</u>
	=====	=====	=====

22. CAPITAL COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Contracted	-	-	-	-
	=====	=====	=====	=====
Authorised by the directors	-	-	-	-
	=====	=====	=====	=====

23. PENSION SCHEMES - GROUP

The group operates a pension scheme providing defined benefits based on final pensionable salary. The assets of the scheme are held separately from those of the group and are invested by the Scheme trustees in an insurance company exempt managed fund.

An actuarial valuation of the Scheme was carried out as at 30 June 1999. This found that the assets of the Scheme fully covered the liabilities at that date. The next full valuation is due to be made as at 30 June 2002.

The principal assumptions used in the assessment of pension costs are that investment returns would be 7% per annum, prior to retirement and 6% per annum, post retirement that pensionable salary increases would be 4.5% per annum. Pensions are assumed to increase at 2.5% per annum on post April 1997 benefits.

At the valuation date, the market value of the assets of the Scheme was £3.35 million. The value of those assets represented 106% of the value of the benefits that had accrued to members, after allowing for future salary increases.

SCOBIE & JUNOR (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2000 (Continued)

24. RELATED PARTY TRANSACTIONS - GROUP

The company and group are under the ultimate control of WTL Wicklow, a director, who together with members of his close family holds 100% (1998 : 100%) of the issued share capital of Scobie & Junor (Holdings) Limited.

During the year group companies paid £18,000 of rental charges (1998 : £18,000) to the Scobie & Junor (Holdings) Limited Directors' Pension Scheme in respect of property owned by the Scheme. Group companies also paid £18,450 of interest (1999 : £33,254) to the Pension Scheme in respect of loans made by the Scheme to the group. At 30 June 2000 these loans amounted to £150,000 (1999 : £292,000).

25. CONTINGENT LIABILITIES - GROUP

Scobie & Junor (Estd. 1919) Limited have granted a Duty Deferment Bond to H M Customs and Excise for £25,000 (maximum liability £50,000).

Scotnet (1974) Limited is involved in ongoing legal proceedings in protecting its worldwide intellectual property rights. The directors remain confident of a satisfactory outcome, however, in the event of losing the case, the company may become liable for an as yet indeterminate level of damages.