

77607

CASTLE MACLELLAN FOODS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31ST AUGUST 1994

CARSON & TROTTER, DUMFRIES



CASTLE MACLELLAN FOODS LIMITED

Company information

Directors	C.S.WARDEN J.CARSWELL C.G.WILSON
Secretary	C.S.WARDEN
Registered Office	Riverside Dee Walk Kirkcudbright DG6 4DR
Auditors	Messrs Carson & Trotter Chartered Accountants and Registered Auditors 107 Irish Street Dumfries DG1 2PE
Company Number	77607(Scotland)

CASTLE MACLELLAN FOODS LIMITED
DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31ST AUGUST 1994.

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 :

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) 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.

Principal activity

The company's principal activity during the year was the manufacture and sale of pate.

Events since the end of the year

Subsequent to the year end the remaining preference shares of £40,000 have been redeemed.

Negotiations are proceeding with a third party with a view to them purchasing the entire ordinary share capital of the company. Details cannot be disclosed at this date but it is expected that the sale will be concluded by 31st December, 1994.

Directors and their interests

The directors at 31ST AUGUST 1994 and their interests in the share capital of the company (all beneficially held) were as follows:

	At 31st August 1994	At 31st August 1993
	Ordinary shares	Ordinary shares
Mr.C.S.Warden	61,500	61,500
Mr.J.Carswell	37,500	37,500
Mr.C.G.Wilson	10,000	10,000

The Directors are all permanent and consequently no Director requires to be re-elected at the Annual General Meeting.

Mr.C.G.Wilson's services are provided to the company through a consultancy agreement with the firm of Colin Wilson Management Services, of which Mr.C.G.Wilson is the sole proprietor.

Close company status

The company is a close company within the meaning of the Income & Corporation Taxes Act 1988.

Auditors

A resolution to re-appoint as auditors Messrs. Carson & Trotter, C.A. will be put to the Annual General Meeting.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 15th November, 1994 and signed on their behalf.

By order of the Board
C.S.Warden
Secretary

21st November, 1994



CASTLE MACLELLAN FOODS LIMITEDAuditors' report to the shareholders of CASTLE MACLELLAN FOODS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 company'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 affairs as at 31ST AUGUST 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Carson & Trotter C.A.

CARSON & TROTTER,
Chartered Accountants and
Registered Auditors.

107, Irish Street,
Dumfries.

21st November, 1994.

CASTLE MACLELLAN FOODS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 1994

	Notes	1994 £	1993 £
TURNOVER	2	1,477,328	1,262,471
Cost of sales		1,033,384	920,668
GROSS PROFIT		443,944	341,803
Distribution costs	16,897		14,165
Administration expenses	345,466		275,504
		362,363	289,669
OPERATING PROFIT	4	81,581	52,134
Non-operating income	3	5,957	7,517
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		87,538	59,651
Other interest receivable and similar income	5	129	500
		87,667	60,151
Interest payable and similar charges	6	28,239	24,131
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		59,428	36,020
Tax on profit on ordinary activities	7	12,978	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		46,450	36,020
Dividends	8	4,800	14,400
		41,650	21,620
Redemption of preference shares	16	87,200	-
RETAINED LOSS FOR YEAR		(45,550)	21,620
Retained profits brought forward		45,510	23,890
REVENUE DEFICIT as at 31ST AUGUST 1994		(40)	45,510

There were no recognised gains or losses for 1994 or 1993 other than those included in the profit and loss account.

The attached notes form part of these accounts.

CASTLE MACLELLAN FOODS LIMITED

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BALANCE SHEET

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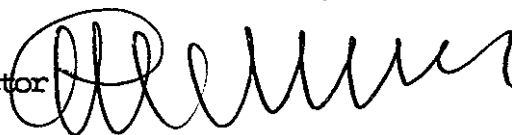
as at 31ST AUGUST 1994

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	Notes	£	1994 £	1993 £
FIXED ASSETS				
Tangible assets	9		626,952	582,100
CURRENT ASSETS				
Stocks	10	70,869		74,168
Debtors	11	225,322		189,031
Cash at bank and in hand		14,395		38
		-----		-----
		310,586		263,237
CREDITORS:				
Amounts falling due within one year	12	545,482		414,266
		-----		-----
NET CURRENT (LIABILITIES)			(234,896)	(151,029)
			-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			392,056	431,071
CREDITORS:				
Amounts falling due after more than one year	13		48,697	50,823
Deferred taxation	14		12,978	-
ACCRUALS AND DEFERRED INCOME				
Capital grants	15		70,421	74,738
			-----	-----
NET ASSETS			259,960	305,510
			=====	=====
CAPITAL AND RESERVES				
Called up share capital	16		180,000	260,000
Profit and loss account			(40)	45,510
Capital Redemption Reserve	16		80,000	-
			-----	-----
SHAREHOLDERS FUNDS	17		259,960	305,510
			=====	=====

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The accounts were approved by the board on 15th November, 1994 and signed on its behalf.

C.S.Warden - Director



The attached notes form part of these accounts.

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

1. ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items which are considered to be material to the company's accounts.

A) Basis of accounting

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

B) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	- 0.25% reducing balance
Equipment under finance leases	- over the primary lease term or expected useful life
Plant and machinery	- 10/20% straight line
Utensils	- 30% reducing balance
Motor vehicles	- 25% " "

C) Stock and work in progress

Stock and work in progress, as detailed in note 10, is valued at the lower of cost and net realisable value with proper provision being made for obsolete and slow moving stock. Cost comprises:

- 1) invoice price of materials purchased
- 2) costs included in arriving at stock condition

D) Repairs and renewals

All expenditure of this nature is written off as incurred.

E) Hire of equipment

Rentals under operating and finance leases, which have existed for some time and which are relatively immaterial in their impact, are charged to profit and loss account as incurred over the term of the lease.

Recent significant finance leases entered into have been dealt with in accordance with the provisions of Statement of Standard Accounting Practice No. 21. The cost of the assets (excluding finance charges) has been capitalised, and the equivalent amount due to the finance company has been included in liabilities. Finance charges are being written off to profit and loss account evenly over the primary period of the lease.

F) Deferred taxation

Provision has been made, under the liability method, at current rates of taxation on all timing differences, other than those likely to continue for the foreseeable future.

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

G) Government grants

Government grants amounting to £95,000 are being released to profit and loss account over the expected useful life of the assets concerned.

H) Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charged in the accounts represents contributions payable by the Company to the fund.

2. TURNOVER

In the year ended 31st August, 1994 none of the company's turnover was to markets outside the United Kingdom (1993 Nil).

3. NON-OPERATING INCOME

	1994	1993
	£	£
Management fees	650	3,200
Capital grant released	4,317	4,317
Gain on sale of fixed assets	990	-
	-----	-----
	5,957	7,517
	=====	=====

4. OPERATING PROFIT

	1994	1993
	£	£
This is stated after charging:		
Directors' remuneration:		
Fees	-	-
Other emoluments (including pension contributions)	55,231	48,522
	-----	-----
	55,231	48,522
	=====	=====
Hire of plant and machinery	9,532	11,586
	=====	=====
Auditors' remuneration	3,975	2,675
	=====	=====
Depreciation of tangible fixed assets:-		
owned by the company	15,130	10,101
held under finance leases and hire purchase contracts	8,596	7,940
	-----	-----
	23,726	18,041
	=====	=====
Pension costs	8,539	8,241
	=====	=====

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

5. INCOME FROM INVESTMENTS

	1994	1993
	£	£
Bank account interest received	-	500
Building Society account interest received	129	-
	-----	-----
	129	500
	=====	=====

6. INTEREST PAYABLE

Included in interest payable is interest on finance leases and hire purchase contracts of £6281 (1993 - £5870).

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994	1993
	£	£
Based on the profit for the year:		
Corporation tax at current rates	-	-
Deferred taxation	12,978	-
	-----	-----
	12,978	-
	=====	=====

8. DIVIDENDS

	1994	1993
	£	£
Proposed dividend on preference shares	4,800	14,400
	=====	=====

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

9. TANGIBLE ASSETS

Cost or valuation:

	Opening balance £	Additions £	Disposals £	Closing balance £
Freehold buildings	398,626	12,270	-	410,896
Freehold land	8,735	-	-	8,735
Equipment under finance leases	20,227	-	3,260	16,967
Plant and machinery	335,980	53,191	2,500	386,671
Utensils	2,250	-	-	2,250
Motor Vehicles	9,489	3,517	-	13,006
	775,307	68,978	5,760	838,525

Depreciation:

	Opening balance £	Charge for year £	Disposals £	Closing balance £
Freehold buildings	2,574	1,021	-	3,595
Equipment under finance leases	12,624	1,901	3,260	11,265
Plant and machinery	170,382	18,891	2,100	187,173
Utensils	2,141	33	-	2,174
Motor Vehicles	5,486	1,880	-	7,366
	193,207	23,726	5,360	211,573

Net book value:

	Opening balance £	Closing balance £
Freehold buildings	396,052	407,301
Freehold land	8,735	8,735
Equipment under finance leases	7,603	5,702
Plant and machinery	165,598	199,498
Utensils	109	76
Motor Vehicles	4,003	5,640
	582,100	626,952

Included in the total net book value of tangible fixed assets held at 31st August, 1994 was £91,672 (1993 £84,951) in respect of assets held under finance leases and hire purchase contracts.

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

10. STOCKS

	1994 £	1993 £
Finished goods, raw materials, dishes and boxes	70,869 =====	74,168 =====

11. DEBTORS

	1994 £	1993 £
Due within one year:		
Trade debtors (Less provision)	190,652	151,472
Other debtors	34,670	37,559
	-----	-----
	225,322 =====	189,031 =====

12. CREDITORS: Amounts falling due within one year

	1994 £	1993 £
Obligations under finance leases and hire purchase contracts	20,069	17,621
Bank loans and overdrafts (Secured)	373,829	229,540
Trade creditors	111,101	129,604
Other taxes and social security	8,783	5,532
Other creditors	31,700	31,969
	-----	-----
	545,482 =====	414,266 =====

13. CREDITORS : Amounts falling due after more than one year

	1994 £	1993 £
Obligations under finance leases and hire purchase contracts	45,322	50,823
Other creditors	3,375	-
	-----	-----
	48,697 =====	50,823 =====

14. DEFERRED TAXATION

	Provision		Potential	
	1994 £	1993 £	1994 £	1993 £
Capital allowances in advance of depreciation	41,620	31,613	41,620	31,613
Less:				
Unrelieved losses	28,642	31,613	28,642	31,613
	-----	-----	-----	-----
	12,978 =====	- =====	12,978 =====	- =====

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

15. CAPITAL GRANTS

This represents the balance of a) a Department of Trade and Industry grant and b) a Scottish Office Industrial Development grant, received for the development of the Riverside, Dee Walk, Kirkcudbright premises of the company. The grants are being released to the profit and loss account over the expected useful lives of the assets to which they relate.

16. SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	1994 No.	1993 No.	1994 £	1993 £
Ordinary shares of £1 each	250,000	250,000	140,000	140,000
	=====	=====	=====	=====
12% Cumulative Redeemable Participating Preference shares of £1 each	120,000	120,000	40,000	120,000
	=====	=====	=====	=====

During the year the Company redeemed the following share capital:-

a) 80,000 12% Cumulative Redeemable Participating Preference shares of £1 each

The shares were redeemed at a cost of £1.09 each per £1.00 share, making a premium payable of £7200, which has been deducted from retained profits.

The nominal value of the shares, £80,000, has been transferred from the profit and loss account to a Capital Redemption Reserve, which is non-distributable.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1994	1993
	£	£
Profit for the year	46,450	36,019
<u>Less:- Dividends</u>	4,800	14,400
	-----	-----
	41,650	21,619
<u>Add:- Issue of share capital</u>	-	160,000
	-----	-----
	41,650	181,619
<u>Less:- Redemption of share capital</u>	87,200	-
	-----	-----
	(45,550)	181,619
Opening shareholders funds	305,510	123,891
	-----	-----
Closing shareholders funds	259,960	305,510
	=====	=====

CASTLE MACLELLAN FOODS LIMITED

NOTES TO THE ACCOUNTS
At 31ST AUGUST 1994

18. HIRE PURCHASE AND LEASING COMMITMENTS

	1994 £	1993 £
At 31st August, 1994 the company had the following obligations:-		
<u>Hire Purchase</u>		
Payments due within one year	18,168	15,721
" " " two to five years	41,520	45,121
	-----	-----
	59,688	60,842
	=====	=====
<u>Finance Leases</u>		
Payments due within one year	1,901	1,901
" " " two to five years	3,801	5,702
	-----	-----
	5,702	7,603
	=====	=====

