

JOHN GORDON & SON LIMITED

ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

Registered number
93530

RITSONS
Chartered Accountants & Registered Auditors
103 High Street
ELGIN
Moray
IV30 1EB



JOHN GORDON & SON LIMITED
Abbreviated Financial Statements
Year Ended 30 June 2002

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JOHN GORDON & SON LIMITED
Abbreviated Financial Statements
Officers and Professional Advisers

Directors

R D Gordon (Chairman)
E A G Gordon
R M Gordon (Joint Managing Director)
P S Gordon (Joint Managing Director)
A M Gordon
E J Brodie
J M Crowther
A McAra
P A G Mackenzie

Secretary

D M E Gibb

Auditors

Ritsons
Chartered Accountants
& Registered Auditors
103 High Street
ELGIN
Moray
IV30 1EB

Bankers

Bank of Scotland
73 High Street
Nairn
IV12 4BS

Registered office

Balblair Road
Nairn
IV12 5LT

Registered number

93530

JOHN GORDON & SON LIMITED
Directors' Report
Year Ended 30 June 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2002.

Principal activities and review of the business

The company's principal activity during the year continued to be the felling, milling and marketing of British timber.

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 recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary share	<u>36,100</u>	<u>36,100</u>

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
R D Gordon (Chairman)	154,782	154,782
E A G Gordon	-	-
R M Gordon (Joint Managing Director)	179,757	179,757
P S Gordon (Joint Managing Director)	179,757	179,757
A M Gordon	102,366	102,366
E J Brodie	-	-
J M Crowther	-	-
A McAra	-	-
P A G Mackenzie	-	-

Fixed Assets

Information relating to changes in fixed assets is given in note 8 to the financial statements. The market value of interests in buildings held as fixed assets at the date of the financial statements was not less than their current carrying value and therefore, in accordance with Financial Reporting Standard 15, no depreciation has been charged as it is not material.

JOHN GORDON & SON LIMITED
Directors' Report
Year Ended 30 June 2002

Directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies, as described on page 7, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for maintaining 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 accounts 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.

Auditors

A resolution to re-appoint Ritsons as auditors will be put to the members at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 14 August 2002.



D M E GIBB
Company secretary

JOHN GORDON & SON LIMITED
Auditors' Report
Year Ended 30 June 2002

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

Independent Auditors' Report
to the shareholders of JOHN GORDON & SON LIMITED

We have examined the abbreviated accounts on pages 5 to 12, together with the financial statements of the company for the year ended 30 June 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

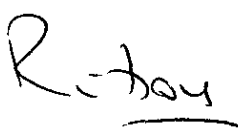
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 12 are properly prepared in accordance with those provisions.


Ritsons
Chartered Accountants and Registered Auditors

14 August 2002

103 High
ELGIN
Moray
IV30 1EB

JOHN GORDON & SON LIMITED
Abbreviated Profit and Loss Account
for the year ended 30 June 2002

	Notes	2002 £	2001 £
Gross profit		2,106,114	1,630,539
Distribution costs		(1,004,145)	(881,819)
Administrative expenses		(494,778)	(482,249)
Operating profit	2	607,191	266,471
Interest receivable		79	-
Interest payable	5	(163,074)	(206,667)
Profit on ordinary activities before taxation		444,196	59,804
Tax on profit on ordinary activities	6	(67,456)	(14,897)
Profit for the financial year		376,740	44,907
Dividends:			
ordinary dividend on equity shares	7	(36,100)	(36,100)
Retained profit for the financial year	20	<u>340,640</u>	<u>8,807</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 7 to 12 form part of these financial statements.

JOHN GORDON & SON LIMITED
Abbreviated Balance Sheet
as at 30 June 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	8	3,768,752	3,630,777
Investments	9	1,500	1,500
		<u>3,770,252</u>	<u>3,632,277</u>
Current assets			
Stocks	10	527,756	655,068
Debtors	11	2,516,087	2,085,564
Cash at bank and in hand		462	403
		<u>3,044,305</u>	<u>2,741,035</u>
Creditors: amounts falling due within one year	12	(3,161,116)	(2,889,703)
Net current liabilities		(116,811)	(148,668)
Total assets less current liabilities		<u>3,653,441</u>	<u>3,483,609</u>
Creditors: amounts falling due after more than one year	13	(1,404,788)	(1,613,556)
Provisions for liabilities and charges			
Deferred taxation	16	(358,097)	(337,046)
Government grants	17	(36,533)	(19,624)
		<u>(394,630)</u>	<u>(356,670)</u>
		<u>1,854,023</u>	<u>1,513,383</u>
Capital and reserves			
Called up share capital	18	616,662	616,662
Other reserves	19	2,645	2,645
Profit and loss account	20	1,234,716	894,076
Shareholders' funds:	21	<u>1,854,023</u>	<u>1,513,383</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

R M GORDON (Joint Managing Director)



Approved by the board on 14 August 2002

The notes on pages 7 to 12 form part of these financial statements.

JOHN GORDON & SON LIMITED
Notes to the Abbreviated Financial Statements
Year Ended 30 June 2002

1 Accounting policies

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

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

Plant and equipment	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	20% on cost

The directors are of the opinion that the future value of the building will be at least equal to the current carrying value and therefore, in accordance with Financial Reporting Standard 15, no depreciation has been charged as it is not material.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Government Grants

Grants received are treated as deferred income in accordance with Statement of Standard Accounting Practice No 4, in the year of receipt and are transferred to the profit and loss over the life of the asset to which they refer.

JOHN GORDON & SON LIMITED
Notes to the Abbreviated Financial Statements
Year Ended 30 June 2002

2 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	420,454	449,211
Gain on disposal of fixed assets	(151)	(5,787)
Auditors' remuneration	4,000	4,000
Amortisation of government grants	(3,141)	(3,463)
	<u> </u>	<u> </u>
3 Directors' emoluments	2002	2001
	£	£
Emoluments receivable	129,501	116,486
Pension costs	17,089	38,541
	<u>146,590</u>	<u>155,027</u>
4 Staff costs	2002	2001
	£	£
Wages and salaries	1,762,210	1,569,277
Social security costs	146,987	140,419
Other pension costs	45,506	63,959
	<u>1,954,703</u>	<u>1,773,655</u>
Average number of employees during the year	Number	Number
Management and administration	18	18
Production	86	77
	<u>104</u>	<u>95</u>
5 Interest payable	2002	2001
	£	£
Bank loan and overdraft	69,419	91,032
Hire purchase contracts	93,655	115,635
	<u>163,074</u>	<u>206,667</u>
6 Taxation	2002	2001
	£	£
<i>Current tax</i>		
Corporation tax based on the results for the year at 20% & 19%	46,405	495
Underprovision in respect of previous year's corporation tax	-	637
<i>Deferred tax</i>		
Movement in respect of timing differences	39,898	13,765
Effect of decreased tax rate	(18,847)	-
	<u>67,456</u>	<u>14,897</u>

JOHN GORDON & SON LIMITED
Notes to the Abbreviated Financial Statements
Year Ended 30 June 2002

7 Equity dividends	2002 £	2001 £
Equity dividends on ordinary shares	<u>36,100</u>	<u>36,100</u>

Interim dividends were paid amounting to 7.8 pence per share (2001 - 7.8 pence per share).
R D Gordon waived his right to any dividends declared.

8 Tangible fixed assets

	Heritable Property £	Motor Vehicles £	Plant and machinery £	Total £
Cost				
At 1 July 2001	1,051,916	217,422	5,793,431	7,062,769
Additions	68,050	33,164	462,914	564,128
Disposals	-	(33,243)	-	(33,243)
At 30 June 2002	<u>1,119,966</u>	<u>217,343</u>	<u>6,256,345</u>	<u>7,593,654</u>
Depreciation				
At 1 July 2001	-	127,679	3,304,313	3,431,992
Charge for the year	-	24,791	395,663	420,454
On disposals	-	(27,544)	-	(27,544)
At 30 June 2002	<u>-</u>	<u>124,926</u>	<u>3,699,976</u>	<u>3,824,902</u>
Net book value				
At 30 June 2002	<u>1,119,966</u>	<u>92,417</u>	<u>2,556,369</u>	<u>3,768,752</u>
At 30 June 2001	<u>1,051,916</u>	<u>89,743</u>	<u>2,489,118</u>	<u>3,630,777</u>

	2002 £	2001 £
Net book value of plant and machinery included above held under hire purchase contracts	<u>1,509,958</u>	<u>1,429,242</u>
Depreciation charged on those assets amount to	<u>234,134</u>	<u>251,919</u>

9 Investments	2002 £	2001 £
Unlisted investments at cost	<u>1,500</u>	<u>1,500</u>

10 Stocks	2002 £	2001 £
Raw materials	167,384	171,153
Finished goods	360,372	483,915
	<u>527,756</u>	<u>655,068</u>

JOHN GORDON & SON LIMITED
Notes to the Abbreviated Financial Statements
Year Ended 30 June 2002

11 Debtors	2002	2001
	£	£
Trade debtors	2,466,859	2,043,067
Prepayments and accrued income	49,228	42,497
	<u>2,516,087</u>	<u>2,085,564</u>

12 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loan and overdraft	1,246,008	1,291,599
Trade creditors	939,812	827,744
Obligations under hire purchase contracts	377,110	307,909
Directors current accounts	22,281	90,222
Corporation tax	46,405	495
Other taxes and social security costs	243,520	217,948
Other creditors	40,699	37,167
Accruals and deferred income	245,281	116,619
	<u>3,161,116</u>	<u>2,889,703</u>

13 Creditors: amounts falling due after one year	2002	2001
	£	£
Bank loan	416,667	500,001
Obligations under hire purchase contracts	838,121	963,555
Directors' loan account	150,000	150,000
	<u>1,404,788</u>	<u>1,613,556</u>

The bank term loan bears interest at 8.775% per annum and is repayable by quarterly instalments of £20,833.

The directors loans are granted interest free.

14 Loans	2002	2001
	£	£
Analysis of maturity of debt:		
<i>Within one year or on demand</i>	105,614	173,554
<i>Between two and five years</i>	333,328	333,328
<i>After five years</i>	233,349	316,673
	<u>672,291</u>	<u>823,555</u>

Securities Granted

Bank overdraft and bank term loan:

(a) Bond and floating charge over all assets of the company.

(b) Standard security over certain heritable properties.

JOHN GORDON & SON LIMITED
Notes to the Abbreviated Financial Statements
Year Ended 30 June 2002

15 Obligations under hire purchase agreements

	2002	2001
	£	£
Amounts payable:		
Within one year	377,110	307,909
Within two to five years	838,121	963,555
	<u>1,215,231</u>	<u>1,271,464</u>

16 Deferred taxation

	2002	2001
	£	£
At 1 July 2001	337,046	323,281
Increase/(Decrease) in provision	21,051	13,765
At 30 June 2002	<u>358,097</u>	<u>337,046</u>

Deferred taxation provided in the accounts are as follows:

	Provided	Provided
	2002	2001
	£	£
Capital allowances in advance of depreciation	358,097	371,798
Tax losses available	-	(34,752)
	<u>358,097</u>	<u>337,046</u>

17 Government grants

	2002	2001
	£	£
Received and receivable:		
At 1 July 2001	65,943	65,943
New grants	20,050	-
At 30 June 2002	<u>85,993</u>	<u>65,943</u>
Amortisation:		
At 1 July 2001	46,319	42,856
Credit to profit and loss account	3,141	3,463
At 30 June 2002	<u>49,460</u>	<u>46,319</u>
Net balance at 30 June 2002	<u>36,533</u>	<u>19,624</u>

JOHN GORDON & SON LIMITED
Notes to the Abbreviated Financial Statements
Year Ended 30 June 2002

18 Share capital			2002	2001
			£	£
Authorised:				
Ordinary shares of £1 each			<u>1,000,000</u>	<u>1,000,000</u>
	2002	2001	2002	2001
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>616,662</u>	<u>616,662</u>	<u>616,662</u>	<u>616,662</u>
19 Other Reserves			2002	2001
			£	£
Capital reserve				
At 1 July 2001			2,645	2,645
At 30 June 2002			<u>2,645</u>	<u>2,645</u>
20 Profit and loss account			2002	2001
			£	£
At 1 July 2001			894,076	885,269
Retained profit			340,640	8,807
At 30 June 2002			<u>1,234,716</u>	<u>894,076</u>
21 Reconciliation of movement in shareholders' funds			2002	2001
			£	£
At 1 July 2001			1,513,383	1,504,576
Profit for the financial year			376,740	44,907
Dividends			(36,100)	(36,100)
At 30 June 2002			<u>1,854,023</u>	<u>1,513,383</u>