

Company number: 176949

HAMLYNS OF SCOTLAND LIMITED

ANNUAL REPORT

YEAR ENDED 31 JULY 2000



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HAMLUNS OF SCOTLAND LIMITED

COMPANY INFORMATION

Directors	J E Lea P Lea
Secretary	D Warr
Company Number	176949
Auditors	Pannell Kerr Forster Regent House Clinton Avenue Nottingham NG5 1AZ

HAMLYNS OF SCOTLAND LIMITED

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HAMLUNS OF SCOTLAND LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 JULY 2000

The directors submit their report and the financial statements for the year ended 31 July 2000.

Results and dividends

The profit for the year, after taxation, amounted to **£78,606** (1999: £93,379).

Principal activity and review of business

The principal activity of the company was that of milling oats.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

J E Lea
P Lea

J E Lea and P Lea had no interest in the share capital of the company during the year.

Their interest in the share capital of the parent company is disclosed in the consolidated financial statements of that company.

Auditors

The auditors, Pannell Kerr Forster, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members.

By order of the board



D Warr
Secretary

12.10.00

HAMLUNS OF SCOTLAND LIMITED

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:

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

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
HAMLYNS OF SCOTLAND LIMITED**

We have audited the financial statements on pages 4 to 10, which have been prepared under the accounting policies set out on page 6.

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 affairs of the company as at 31 July 2000 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Pannell Kerr Forster
Registered Auditors

18 October 2000
Nottingham

HAMLYNS OF SCOTLAND LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	6,070,577	5,405,038
Cost of sales		<u>(5,552,012)</u>	<u>(4,867,188)</u>
GROSS PROFIT		518,565	537,850
Distribution costs		<u>(52,224)</u>	<u>(71,748)</u>
Administrative expenses		<u>(353,850)</u>	<u>(343,973)</u>
OPERATING PROFIT	3	112,491	122,129
Other interest receivable and similar income		-	3,250
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>112,491</u>	<u>125,379</u>
TAXATION	5	<u>(33,885)</u>	<u>(32,000)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>78,606</u></u>	<u><u>93,379</u></u>

All activities relate to continuing operations.

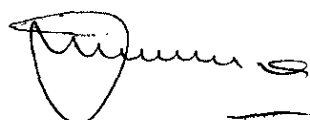
The retained profit for the year reflects all recognised gains and losses.

HAMLINS OF SCOTLAND LIMITED
BALANCE SHEET
31 JULY 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible	6		1,010,346		1,252,174
CURRENT ASSETS					
Stocks	7	345,449		339,885	
Debtors	8	505,514		584,295	
Cash at bank and in hand		2,121		991	
			853,084	925,171	
CREDITORS: amounts falling due within one year	9	(789,350)		(761,871)	
NET CURRENT ASSETS			63,734		163,300
TOTAL ASSETS LESS CURRENT LIABILITIES			1,074,080		1,415,474
PROVISIONS FOR LIABILITIES AND CHARGES	10		(8,000)		(13,000)
			1,066,080		1,402,474
CAPITAL AND RESERVES					
Called up share capital	12		2		2
Profit and loss account	13		86,866		8,260
SHAREHOLDERS' FUNDS	14		86,868		8,262
LONG TERM LOAN	11		979,212		1,394,212
			1,066,080		1,402,474

The financial statements were approved by the board on 12. 10. 00

Signed on behalf of the board of directors



J E Lea

Director

HAMLINS OF SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	- over 30 years
Plant, machinery and motor vehicles	- over 4 to 6 years

(d) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

(e) Deferred Taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

(f) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

2 TURNOVER

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

HAMLVNS OF SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

3 OPERATING PROFIT

The operating profit is stated after charging:

	<u>2000</u> £	<u>1999</u> £
Depreciation of tangible fixed assets:		
- owned by the company	255,386	256,527
Audit fees	<u>3,750</u>	<u>3,750</u>

No director received any emoluments.

4 STAFF COSTS

Staff costs were as follows:

	<u>2000</u> £	<u>1999</u> £
Wages and salaries	592,605	581,745
Social security costs	40,182	40,973
Other pension costs	16,825	13,469
	<u>649,612</u>	<u>636,187</u>

The average monthly number of employees, including executive directors, during the year was:

	Number	
Administration and Sales	2	2
Production	24	25
	<u>26</u>	<u>27</u>

5 TAXATION

	<u>2000</u> £	<u>1999</u> £
Current year taxation		
UK corporation tax at 30% (1999: 26%)	39,000	19,000
Deferred taxation	(5,000)	13,000
Adjustment in respect of previous years	(115)	-
	<u>33,885</u>	<u>32,000</u>

HAMLYNS OF SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

6 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Plant & machinery	Total
Cost	£	£	£
At 1 August 1999	275,000	1,626,356	1,901,356
Additions	-	13,558	13,558
At 31 July 2000	<u>275,000</u>	<u>1,639,914</u>	<u>1,914,914</u>
Depreciation			
At 1 August 1999	10,000	639,182	649,182
Charge for the year	5,000	250,386	255,386
At 31 July 2000	<u>15,000</u>	<u>889,568</u>	<u>904,568</u>
Net book amount			
At 31 July 2000	<u>260,000</u>	<u>750,346</u>	<u>1,010,346</u>
At 31 July 1999	<u>265,000</u>	<u>987,174</u>	<u>1,252,174</u>

Freehold land is not depreciated.

7 STOCKS

	<u>2000</u>	<u>1999</u>
	£	£
Raw materials and finished goods	<u>345,449</u>	<u>339,885</u>

8 DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Debtors within one year		
Trade debtors	495,475	555,865
Other debtors	9,735	28,430
Prepayments & accrued income	304	-
	<u>505,514</u>	<u>584,295</u>

HAMLYNS OF SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

9 CREDITORS:

Amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Bank overdraft	69,983	15,777
Trade creditors	243,730	260,071
Amounts owed to group undertakings	364,888	324,539
Other creditors	-	4,589
Corporation tax	39,000	19,000
Accruals and deferred income	71,749	137,895
	<u>789,350</u>	<u>761,871</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred Tax	
At 1 August 1999	13,000
Released to profit and loss account	(5,000)
At 31 July 2000	<u>8,000</u>

11 LONG TERM LOAN:

	<u>2000</u>	<u>1999</u>
	£	£
Amounts owed to group undertakings	<u>979,212</u>	<u>1,394,212</u>

The loan is repayable after more than five years. No interest is currently charged on the outstanding balance.

12 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid
	£	No. £
At 1 August 1999 and 31 July 2000		
Ordinary shares of £1 each	<u>100</u>	<u>2 2</u>

HAMLINS OF SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

13 RESERVES

Profit and loss account

	£
At 1 August 1999	8,260
Profit for the year	78,606
At 31 July 2000	<u>86,866</u>

14 SHAREHOLDERS' FUNDS

	£
Shareholders' funds at 1 August 1999	8,262
Profit for the year	78,606
Shareholders' funds at 31 July 2000	<u>86,868</u>

15 TRANSACTIONS WITH RELATED PARTIES

Advantage has been taken of the exemption from disclosing transactions with other group companies, as the company is a wholly owned subsidiary.

16 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is **£16,825** (1999: £13,469).

17 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Morning Foods Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company.