

Wm McKinnon & Company Limited

Directors Report and Financial statements

30 September 2003

Registered number: SC 75153



Wm McKinnon & Company Limited

Directors' report and financial statements

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Wm McKinnon & Company Limited

Directors' report and financial statements

Officers and professional advisers

DIRECTORS

W A Cameron
H O Cameron

SECRETARY

Peterkins

REGISTERED OFFICE

100 Union Street
Aberdeen
AB9 1QQ

BANKERS

Barclays Bank
Rubislaw Terrace
Aberdeen

SOLICITORS

Peterkins
Advocates
100 Union Street
Aberdeen
AB9 1QQ

ACCOUNTANT

Barbara Cresswell
Chartered Accountant
7 Baillieswells Grove
Bielside
Aberdeen
AB15 9BH

Wm McKinnon & Company Limited

Directors' report

The directors present their annual report and financial statements for the year ended 30 September 2002

Principal activity

The principal activity of the company is provision of plantation machinery.

Directors and directors' interests

The present membership of the board is set out on page 1.

The directors who held office at the end of the financial year had the following interests in the shares of the company as recorded in the register of directors' share interests.

	Class of share	Interest at beginning of year	Interest at end of year
W A Cameron	£1 Ordinary shares	33,784	33,784
	£1 Preference shares	15,000	15,000
H O Cameron	£1 Ordinary shares	-	-

Directors' report

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


W A Cameron
Director

100 Union Street
Aberdeen
AB9 1QQ
18 July 2002

Wm McKinnon & Company Limited

Profit and loss account for year ended 30 September 2003

	Notes	2003	2002
		£	£
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross Profit		-	-
Distribution costs		-	-
Administrative expenses		(9,826)	(61,759)
		<hr/>	<hr/>
Operating (loss) before interest	4	(9,826)	(61,759)
Income from participating interests		-	-
Interest receivable and similar income		-	-
Interest payable and similar charges	5	(16,777)	(17,561)
		<hr/>	<hr/>
(Loss) on ordinary activities before taxation		(26,603)	(79,230)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
(Loss) for financial year		(26,603)	(79,230)
Dividends (including non-equity dividends)		-	-
		<hr/>	<hr/>
		(26,603)	(79,230)
Accumulated profit brought forward		(34,071)	45,249
		<hr/>	<hr/>
Accumulated (loss)/ profit carried forward		(60,671)	(34,071)
		<hr/>	<hr/>

Wm McKinnon & Company Limited

Balance sheet at 30th September 2003

	Notes	2003	2002
		£	£
Fixed assets			
Tangible assets	7	3,583	8,015
Investments	8	<u>4,092</u>	<u>4,092</u>
		7675	12,107
Current assets			
Debtors	9	318,831	318,831
Cash at bank and in hand		<u>114</u>	<u>157</u>
		318,945	318,988
Creditors: amounts falling			
Due within one year	10	<u>316,241</u>	<u>316,382</u>
Net current assets		<u>2704</u>	<u>2,606</u>
Total assets less current			
Liabilities		10,379	<u>14,713</u>
Net assets		<u>10,379</u>	<u>14,713</u>
Capital and reserves			
Called up share capital	11	48,784	48,784
Profit and loss account		<u>(60,671)</u>	<u>(34,071)</u>
Shareholders' funds		<u>(11,887)</u>	<u>14,713</u>
Attributable to equity			
Shareholders	12	-	-
Attributable to non-equity			
Shareholders	12	<u>(11,887)</u>	14,713

The company was entitled to exemption under section 249A(1) of the Companies Act 1985 from the requirement to have its accounts for financial year ended 30th September 2003 audited.

No notice has been deposited under section 249B(2) of the Act requiring an audit in relation to the company's accounts for that financial year.

Wm McKinnon & Company Limited

Balance sheet *(continued)*

at 30 September 2003

The directors acknowledge their responsibilities for:

- Ensuring the company keeps accounting records which comply with section 221 of the Companies Act 1985;
- Preparing accounts 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 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to that company.

The directors have taken advantage of the special provisions conferred by Part VII of the Companies Act 1985, relating to small companies in the preparation of their accounts, and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

These financial statements were approved by the board of directors on 18 July 2004 and were signed on their behalf by:


W A Cameron
Director

Wm McKinnon & Company Limited

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Statement for Smaller Entities (effective June 2002).

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

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Tangible fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	- 25% per annum
Equipment and computer	- 20% per annum
Plant and machinery	- 20% per annum

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their useful lives. The finance charges are allocated over the period of the lease rentals in proportion to the capital element outstanding.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

Pension costs charged to the profit and loss account represent amounts payable to one independently administered fund.

Wm McKinnon & Company Limited

Notes (continued)

1 Accounting policies (continued)

Taxation

Deferred taxation is accounted for in accordance with FRS 19

2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

The turnover, which arises in the United Kingdom and overseas, is attributable to the company's principal activity.

3 Information regarding directors

	2003	2002
	£	£
Directors' remuneration		
Emoluments (excluding pension contributions)	-	-
Company contributions to money purchase and similar pension schemes in respect of directors' services	-	-
	2003	2002
	No	No
The number of directors who are: members of a money purchase pension scheme	1	1

4 Operating (loss)

The operating loss is stated after charging:

	2003	2002
	£	£
Depreciation of tangible fixed assets-owned assets	4432	4,753
-assets held under hire purchase contracts	-	-
Hire of plant and machinery	-	-
-rentals payable under operating leases	-	-
Exchange losses (net)		4,713

Wm McKinnon & Company Limited

Notes (continued)

5 Interest Payable

	2003	2002
	£	£
Pension loan interest	16,670	16,670
Bank loans and overdrafts	107	130
Finance leases and hire purchase contracts	-	761
	<u>16,777</u>	<u>17,561</u>

6 Taxation on loss on ordinary activities

	2003	2002
	£	£
UK corporation tax	-	-
Prior year adjustment	-	-
Irrecoverable ACT	-	-

7 Tangible fixed assets

	Plant and Machinery	Motor vehicles	Equipment and computers	Total
	£	£	£	£
Cost				
At beginning of year	21,500	35,571	3730	60,801
Additions	-	-	-	-
Disposals	-	-	-	-
At end of year	<u>21,500</u>	<u>35,571</u>	<u>3730</u>	<u>60,801</u>
Depreciation				
At beginning of year	13,617	35,571	3598	52,186
Charge for year	4,300	-	132	4432
Disposals	-	-	-	-
At end of year	<u>17,917</u>	<u>35,571</u>	<u>3730</u>	<u>57,218</u>
Net book value				
At 30 September 2003	<u>3,583</u>	<u>-</u>	<u>-</u>	<u>3,583</u>
Net book value				
At 30 September 2002	<u>7883</u>	<u>-</u>	<u>-</u>	<u>7883</u>

The net book value of the company's tangible assets includes £NIL (2002: £7,883) in respect of assets held under hire purchase contracts.

Wm McKinnon & Company Limited

Notes (Continued)

8 Investments held as fixed assets

	Shares (unquoted) £
Cost	
At 1 October 2002 and at 30 September 2003	4092

Details of associated undertakings are as follows:

Name	Activity	Country of Registration	Portion of Ordinary shares held
Mckinnon India Private Limited	Manufacturers of plantation machinery	India	49%

The total of Mckinnon India Private Limited 's share capital and reserves as at 31 March 2002 showed a surplus of Rs.....

Its loss for the financial year to 31st March 2002.....

9 Debtors

	2003 £	2002 £
Trade debtors	16,831	16,831
Amounts due from group undertakings	2,336	2,336
Other debtors	299,664	299,664
	318,831	318,831

Included in other debtors is an amount of £199,953 (2002 £199,953) due out within one year.

Wm McKinnon & Company Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	2003	2002
	£	£
Bank overdraft	107	248
Amounts due to group undertakings	32,866	32,866
Other creditors including taxation and social securities:	-	-
Other taxes	-	-
Accruals and deferred income	51,470	51,470
Hire purchase creditor	-	-
Other creditors	231,798	231,798
	<u>316,241</u>	<u>316,382</u>

11 Called up share capital

	2003	2002
	£	£
Authorised		
15,000 Preference shares of £1.00 each	15,000	15,000
17,737 'A' Ordinary shares of £1.00 each	17,737	17,737
16,047 'B' Ordinary shares of £1.00 each	16,047	16,047
16,216 'C' Ordinary shares of £1.00 each	16,216	16,216
	<u>65,000</u>	<u>65,000</u>
Allotted, called up and fully paid		
15,000 Preference shares of £1.00 each	15,000	15,000
17,737 'A' Ordinary shares of £1.00 each	17,737	17,737
16,047 'B' Ordinary shares of £1.00 each	16,047	16,047
	<u>48,784</u>	<u>48,784</u>

12 Amounts attributable to non-equity shareholders

The articles of Association of the company stipulate that on a return of assets on liquidation or otherwise, the assets of the company remaining after the payment of its liabilities shall be applied firstly, in paying to the holders of the preference shares in aggregate the sum of £769,124 being equal to the net asset value of the company as disclosed in the statutory audited balance sheet of the company as at 30 September 1990; and secondly, the balance of such assets shall be distributed amongst the ordinary shareholders.

Under the going concern basis, the arrangements on the liquidation basis are ignored in disclosing non-equity interests.

Wm McKinnon & Company Limited

Notes (continued)

13 Pension schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those in the company in an independently administered fund.

The pension costs charged amounted to £NIL (2002: £NIL). There was £NIL payable at the year-end (2002: £NIL)

14 Transactions with related parties

During the year the company made no sales or purchases to/from McKinnon India Private Limited (2002: £NIL). Wm. McKinnon & Co Limited holds a significant interest in the company as discussed in note 8.

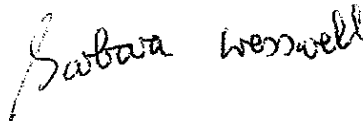
At the year-end, included in other creditors are loans due to the pension fund of Wm. McKinnon & Co Limited of £230,000 (2002: £230,000) and due to a director of £1798 (2002: £1798). During the year, pension fund charged interest on the loan of £16,670 (2002: £16,670) and the only other transactions were in the normal business of the pension fund.

Wm McKinnon & Company Limited

Accountant's Report to the Shareholders of Wm McKinnon & Company Limited for the year ended 30 September 2003

As described on pages 4 to 5, the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. In accordance with their instructions and in order to assist the directors to fulfil their responsibilities, I have prepared the accounts on pages 3 to 11 from the accounting records and from the information and explanations supplied to me.

As I have not performed an audit I do not provide any assurance that the accounts show a true and fair view, which remains the sole responsibility of the directors.



Barbara Cresswell
Chartered Accountant

7 Baillieswells Grove, Bieldside
Aberdeen, AB15 9BH.

18 July 2004

Wm McKinnon & Company Limited

ADDITIONAL INFORMATION

The additional information on pages 14 to 16 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the accountant's report thereon.

Wm McKinnon & Company Limited

Trading Profit and Loss Account For the year ended 30 September 2003

	Note	2003 £	2002 £
SALES	1	-	-
Cost of sales	2	-	-
GROSS PROFIT		<u>-</u>	<u>-</u>
LESS: OVERHEADS			
Office	3	597	3,674
Establishment	4	-	-
Motor	5	165	(987)
General	6	9064	59,072
Financial	7	16,777	17,501
		<u>(26,603)</u>	<u>(79,320)</u>
NET TRADING (LOSS) FOR THE YEAR		(26,603)	(79,320)
ADD: OTHER INCOME			
Interest receivable & similar income	8	-	-
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(26,603)</u>	<u>(79,320)</u>

Wm McKinnon & Company Limited

Notes to the trading Profit and Loss Account For the year ended 30 September 2003

	2003 £	2002 £
1 SALES		
Sales	-	-
2 COST OF SALES		
Purchases	-	-
3 OFFICE EXPENSES		
Staff costs		
Directors' remuneration	-	-
Pension costs (inc. admin fee)	-	2,045
Telephone	385	1,130
Postage and stationery	80	46
Depreciation on office equipment	132	453
	597	3,674
ESTABLISHMENT EXPENSES		
Heat light and power	-	-
MOTOR EXPENSES		
Motor expenses	165	1,513
Profit on disposal of car	-	(2500)
	165	(987)

Wm McKinnon & Company Limited

Notes to the Trading Profit and Loss Account
for the year ended 30 September 2003

	2003 £	2002 £
6 General expenses		
Legal and professional	3,803	2,561
Audit and accountancy	-	(69)
Bank charges	316	476
Subscriptions and donations	-	228
Travel and subsistence	1,145	18,494
Exchange losses/gains	-	4,713
Entertaining	-	272
Miscellaneous	-	1,712
Depreciation of plant and machinery	4,300	4,300
Bad debts written off	-	26,385
	9,564	59,072

7 Financial Expenses

Interest payable		
Bank overdraft	107	130
Hire purchase	-	761
Pension loan interest	16,670	16,670
	16,777	17,561

8 Interest Receivable & similar Income

Bank interest	-	-
	-	-