

Wm McKinnon & Company Limited

Abbreviated financial statements

30 September 1999

Registered number: SC 75153

Barbara Cresswell
Chartered Accountant



Wm McKinnon & Company Limited

Abbreviated financial statements

<i>Contents</i>	<i>Page</i>
Auditors' report	1
Balance sheet	2
Notes	3

Report of the auditors to the members of Wm McKinnon & Company Limited
Pursuant to section 274 B of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 7 together with the full financial statements of Wm McKinnon & Company Limited under section 226 f the Companies Act 1985 for the year ended 30 September 1999.

Respective responsibilities of directors and auditors

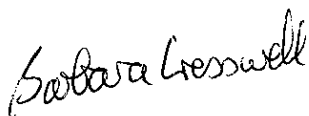
The directors are responsible for preparing abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts are properly in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 are in accordance with those provisions.



Barbara Cresswell
Chartered Accountant
Registered Auditor

16 June 2000

Wm McKinnon & Company Limited

Balance sheet at 30 September 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	3	23,527	7,474
Investments	4	4,092	4,092
		<u>27,619</u>	<u>11,566</u>
Current assets			
Debtors	5	499,903	506,272
Cash at bank and in hand		20,203	123,040
		<u>520,106</u>	<u>629,312</u>
Creditors: amounts falling due within one year	6	316,617	312,530
Net current assets		<u>203,489</u>	<u>316,782</u>
Total assets less current liabilities		<u>231,108</u>	<u>328,348</u>
Creditors: amounts falling due after more than one year	7	10,083	-
Net assets		<u>221,025</u>	<u>328,348</u>
Capital and reserves			
Called up share capital	8	48,784	48,784
Profit and loss account		172,241	279,564
Shareholders' funds		<u>221,025</u>	<u>328,348</u>
Attributable to equity shareholders	9	206,025	313,348
Attributable to non-equity shareholders	9	15,000	15,000

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 16 June 2000 and 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 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.

Intangible fixed assets

Purchased goodwill is amortised over five years.

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.

Wm McKinnon & Company Limited

Notes (continued)

1 Accounting policies (continued)

Pension costs

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

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Intangible fixed assets

	Goodwill £
<i>Cost or valuation</i>	
At 1 October 1998 and 30 September 1999	150,000
<i>Accumulated depreciation</i>	
At 1 October 1998 and 30 September 1999	150,000
<i>Net book value</i>	
At 30 September 1999	<hr/> - <hr/>

Wm McKinnon & Company Limited

Notes (continued)

3 Tangible fixed assets

	Plant and machinery	Motor vehicles	Equipment and computer	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	2,000	55,566	21,929	79,495
Additions	21,500	-	-	21,500
Disposals	(2,000)	-	-	(2,000)
At end of year	21,500	55,566	21,929	98,995
<i>Depreciation</i>				
At beginning of year	1,200	52,649	18,172	72,021
Charge for year	1,117	2,917	1,013	5,047
Disposals	(1,600)	-	-	(1,600)
At end of year	717	55,566	19,185	75,468
<i>Net book value</i>				
At 30 September 1999	20,783	-	2,744	23,527
<i>Net book value</i>				
At 30 September 1998	800	2,917	3,757	7,474

The net book value of the company's tangible fixed assets includes £20,783 (1998: £NIL) in respect of assets held under hire purchase contracts.

4 Investments held as fixed assets

	Shares (Unquoted) £
<i>Cost</i>	
At 1 October 1998 and at 30 September 1999	4,092

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 1999 showed a surplus of Rs 20,119,810 (approx £292,439) [1998: Rs 12,756,058 (approx £185,408)]. Its profit for the financial year to 31 March 1999 was Rs 10,136,491 (approx £147,333) [1998: Rs 10,873,934 (approx £158,051)].

Wm McKinnon & Company Limited

Notes (continued)

5 Debtors

	1999 £	1998 £
Trade debtors	201,601	256,876
Amounts owed by undertakings in which the company has a participating interest	2,336	8,905
Other debtors	295,461	239,329
Prepayments and accrued income	505	1,162
	<u>499,903</u>	<u>506,272</u>

Included in other debtors is an amount of £199,953 (1998: £199,953) due out-with one year.

6 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	842	-
Trade creditors	3,989	14,492
Amounts due to undertakings in which the company has a participating interest	57,136	45,117
Other creditors including taxation and social security:		
Corporation tax	4,500	2,660
Other taxes	-	1,417
	<u>4,500</u>	<u>4,077</u>
Accruals and deferred income	4,650	48,844
Hire purchase creditor	5,500	-
Other creditors	240,000	200,000
	<u>316,617</u>	<u>312,530</u>

7 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Obligations under finance leases and hire purchase contracts	10,083	-
	<u>10,083</u>	<u>-</u>
Net amount payable:		
Between two and five years	10,083	-
	<u>10,083</u>	<u>-</u>

Wm McKinnon & Company Limited

Notes (continued)

8 Called up share capital

	1999 £	1998 £
<i>Authorised</i>		
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
	<hr/> 65,000	<hr/> 65,000
<i>Allotted, called up and fully paid</i>		
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
	<hr/> 48,784	<hr/> 48,784

9 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.