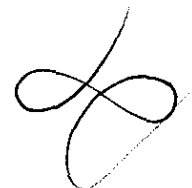


Wm McKinnon & Company Limited

Directors' report and financial statements

30 September 2000

Registered number: SC 75153



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COMPANIES HOUSE 03/08/01

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
Bieldside
Aberdeen
AB15 9BH

Wm McKinnon & Company Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

Principal activity

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

Post balance sheet events

On 30 September 2000 the company ceased trading and in December 2000 Cameron Holdings (Aberdeen) Limited acquired the entire issued share capital of the company.

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	-	-

Charitable donations

The company made charitable donations during the year amounting to £900.

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
24 July 2001

Wm McKinnon & Company Limited

Profit and loss account for the year ended 30 September 2000

	Notes	2000 £	1999 £
Turnover	2	2,110	254,170
Cost of sales		4,839	181,063
Gross (loss) / profit		(2,729)	73,107
Distribution costs		-	(9,638)
Administrative expenses		(92,956)	(155,591)
Operating (loss) before interest	4	(95,685)	(92,122)
Income from participating interests		49,216	696
Interest receivable and similar income		4	1,082
Interest payable and similar charges	5	(17,886)	(17,046)
(Loss) on ordinary activities before taxation		(64,351)	(107,390)
Tax on loss on ordinary activities	6	-	67
(Loss) for the financial year		(64,351)	(107,323)
Dividends (including non-equity dividends)		-	-
		(64,351)	(107,323)
Accumulated profit brought forward		172,241	279,564
Accumulated profit carried forward		107,890	172,241

Wm McKinnon & Company Limited

Balance sheet at 30 September 2000

	Notes	2000	1999
		£	£
Fixed assets			
Tangible assets	7	17,598	23,527
Investments	8	4,092	4,092
		<u>21,690</u>	<u>27,619</u>
Current assets			
Debtors	9	449,263	499,903
Cash at bank and in hand		1,950	20,203
		<u>451,213</u>	<u>520,106</u>
Creditors: amounts falling due within one year	10	311,187	316,617
Net current assets		<u>140,026</u>	<u>203,489</u>
Total assets less current liabilities		<u>161,716</u>	<u>231,108</u>
Creditors: amounts falling due after more than one year	11	(5,042)	(10,083)
Net assets		<u>156,674</u>	<u>221,025</u>
Capital and reserves			
Called up share capital	13	48,784	48,784
Profit and loss account		107,890	172,241
Shareholders' funds		<u>156,674</u>	<u>221,025</u>
Attributable to equity shareholders	14	141,674	206,025
Attributable to non-equity shareholders	14	15,000	15,000

The company was entitled to exemption under section 249A(1) of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 30 September 2000 audited.

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

Wm McKinnon & Company Limited

Balance sheet *(continued)*

at 31 December 2000

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 24 July 2001 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 March 2000).

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.

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.

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 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.

2 Information regarding directors

	2000 £	1999 £
Directors' remuneration		
Emoluments (excluding pension contributions)	<u>50,744</u>	<u>72,549</u>
Company contributions to money purchase and similar pension schemes in respect of directors' services	<u>4,417</u>	<u>6,000</u>
	2000 No	1999 No
The number of directors who are:		
Members of a money purchase pension scheme	<u>1</u>	<u>1</u>

Wm McKinnon & Company Limited

Notes (continued)

4 Operating (loss)

The operating (loss) is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets –owned assets	1,012	4,330
- assets held under hire purchase contracts	4,300	717
Hire of plant and machinery		
- rentals payable under operating leases	978	1,403
Auditors' remuneration and expenses	-	2,000

after crediting:

Profit on disposal of fixed assets	-	1,100
Exchange gains (net)	10,448	7,762

5 Interest payable

	2000 £	1999 £
Pension loan interest	16,670	16,670
Bank loans and overdrafts	10	-
Finance leases and hire purchase contracts	711	209
Interest paid on overdue tax	495	167
	17,886	17,046

6 Taxation on profit on ordinary activities

	2000 £	1999 £
UK corporation tax at 20% (1999 - 21%):		
Current year	-	(67)
Prior year	-	-
	-	(67)

Wm McKinnon & Company Limited

Notes (continued)

7 Tangible fixed assets

	Plant and machinery	Motor vehicles	Equipment and computer	Total
	£	£	£	£
Cost				
At beginning of year	21,500	55,566	21,929	98,995
Additions	-	-	-	-
Disposals	-	-	(18,409)	(18,409)
At end of year	21,500	55,566	3,520	80,586
Depreciation				
At beginning of year	717	55,566	19,185	75,468
Charge for year	4,300	-	1,012	5,312
Disposals	-	-	(17,792)	(17,792)
At end of year	5,017	55,566	2,405	62,988
Net book value				
At 30 September 2000	16,483	-	1,115	17,598
Net book value				
At 30 September 1999	20,783	-	2,744	23,527

The net book value of the company's tangible fixed assets includes £16,483 (1999: £20,783) in respect of assets held under hire purchase contracts.

8 Investments held as fixed assets

	Shares (Unquoted) £
Cost	
At 1 October 1999 and at 30 September 2000	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 2000 showed a surplus of Rs 15,066,684 (approx £218,993) [1999: Rs 20,119,810 (approx £292,439)]. Its profit for the financial year to 31 March 2000 was Rs 2,527,874 (approx £36,742) [1999: Rs 10,136,491 (approx £147,333)].

Wm McKinnon & Company Limited

Notes (continued)

9 Debtors

	2000 £	1999 £
Trade debtors	152,703	201,601
Amounts owed by undertakings in which the company has a participating interest	2,336	2,336
Other debtors	294,224	295,461
Prepayments and accrued income	-	505
	<u>449,263</u>	<u>499,903</u>

Included in other debtors is an amount of £199,953 (1999: £199,953) due out-with one year.

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	-	842
Trade creditors	-	3,989
Amounts due to undertakings in which the company has a participating interest	22,700	57,136
Other creditors including taxation and social security:		
Corporation tax	-	4,500
	<u>-</u>	<u>4,500</u>
Accruals and deferred income	20,436	4,650
Hire purchase creditor	5,500	5,500
Other creditors	262,551	240,000
	<u>311,187</u>	<u>316,617</u>

Wm McKinnon & Company Limited

Notes (continued)

11 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Obligations under finance leases and hire purchase contracts	5,042	10,083
<hr/>		
	2000 £	1999 £
Net amount payable:		
Between two and five years	5,042	10,083
<hr/>		

12 Post balance sheet events

On 30 September 2000 the company ceased trading and in December 2000 Cameron Holdings (Aberdeen) Limited acquired the entire issued share capital of the company.

13 Called up share capital

	2000 £	1999 £
<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/>	<hr/>
	65,000	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/>	<hr/>
	48,784	48,784

Wm McKinnon & Company Limited

Notes (continued)

14 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.

15 Commitments

At 30 September 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	2000 Other £	1999 Other £
Operating leases which expire:		
Within one year	-	-
In second to fifth years inclusive	-	732

16 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 £11,847 (1999: £11,847). There was £NIL payable at the year-end (1999: £NIL).

17 Transactions with related parties

During the year the company issued credit notes to McKinnon India Private Limited totalling £NIL (1999: £3,651) and made purchases from McKinnon India Private Limited totalling £NIL (1999: £149,562). Wm McKinnon & Co Limited holds a significant interest in the company as discussed in note 11.

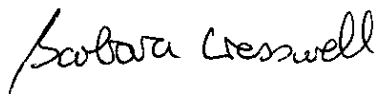
At the year-end, included in other creditors are loans due to the pension fund of Wm McKinnon & Co Limited of £230,000 (1999: £200,000) and due to a director of £32,551 (1999: £40,000). During the year, the pension fund charged interest on the loan of £16,670 (1999: £16,670) and the only other transactions 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 2000*

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 12 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.

24 July 2001