

MACKAY'S LTD
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 1997

MILLER, McINTYRE & GELLATLY CA
Chartered Accountants & Registered Auditors
20 Reform Street
Dundee
DD1 1RQ



SAM

MACKAY'S LTD

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

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MACKAY'S LTD

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st December 1997 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the 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 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 sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

20 Reform Street
Dundee
DD1 1RQ

26 March 1998

MILLER, McINTYRE & GELLATLY CA
Chartered Accountants
& Registered Auditors

Miller McIntyre & Gellatly CA

MACKAY'S LTD**ABBREVIATED BALANCE SHEET****31ST DECEMBER 1997**

	Note	1997 £	1996 £
FIXED ASSETS	2		
Intangible assets		201,324	54,030
Tangible assets		<u>112,519</u>	<u>48,860</u>
		313,843	102,890
CURRENT ASSETS			
Stocks		210,503	177,213
Debtors		194,252	165,518
Cash at bank and in hand		<u>479</u>	<u>44</u>
		405,234	342,775
CREDITORS: Amounts falling due within one year		<u>(381,314)</u>	<u>(192,756)</u>
NET CURRENT ASSETS		23,920	150,019
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>337,763</u>	<u>252,909</u>
CREDITORS: Amounts falling due after more than one year		(322,918)	(243,000)
PROVISIONS FOR LIABILITIES AND CHARGES		-	(1,300)
GOVERNMENT GRANTS	3	<u>(8,072)</u>	<u>(7,072)</u>
		<u>6,773</u>	<u>1,537</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	100	100
Profit and loss account		<u>6,673</u>	<u>1,437</u>
SHAREHOLDERS' FUNDS		<u>6,773</u>	<u>1,537</u>

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

These financial statements were approved by the directors on the19..., and are signed on their behalf by:



MRC P GRANT

26/3/98

MACKAY'S LTD**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1997****1. ACCOUNTING POLICIES****Basis of accounting**

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Business development costs**Business Development Costs**

Development costs incurred on separately identifiable projects are capitalised and amortised through the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Business development costs - 15% on cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery, etc - 10% on cost

Stocks

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

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.

Operating lease agreements

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs

The company operates two defined contribution pension schemes on behalf of various employees. The first is a small self-administered scheme to the benefit of the directors, and the second is a Group personal pension scheme to the benefit of the other employees. The assets of these schemes are held separately from those of the company in separately administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £15,442 (1996 - £16,422).

MACKAY'S LTD**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 1997****1. ACCOUNTING POLICIES** *(continued)***Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. FIXED ASSETS

	Intangible Assets £	Tangible Fixed Assets £	Total £
COST			
At 1st January 1997	58,762	65,802	124,564
Additions	<u>177,441</u>	<u>78,044</u>	<u>255,485</u>
At 31st December 1997	<u>236,203</u>	<u>143,846</u>	<u>380,049</u>
DEPRECIATION			
At 1st January 1997	4,732	16,942	21,674
Charge for year	<u>30,147</u>	<u>14,385</u>	<u>44,532</u>
At 31st December 1997	<u>34,879</u>	<u>31,327</u>	<u>66,206</u>
NET BOOK VALUE			
At 31st December 1997	<u>201,324</u>	<u>112,519</u>	<u>313,843</u>
At 31st December 1996	<u>54,030</u>	<u>48,860</u>	<u>102,890</u>

3. GOVERNMENT GRANTS

	1997 £	1996 £
Received and receivable	10,429	9,429
Amortisation	<u>2,357</u>	<u>2,357</u>
	<u>8,072</u>	<u>7,072</u>

4. TRANSACTIONS WITH THE DIRECTORS

The company paid rent to C P and H M Grant for the use of the premises of 17 Thistle Street, Carnoustie. The annual rental being £12,000.

MACKAY'S LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

5. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital brought forward	100	2
Issue of ordinary shares	<u>-</u>	<u>98</u>
	<u>100</u>	<u>100</u>