

Registrar

REGISTERED NUMBER: SC155016

Abbreviated Accounts
for the Year Ended 31 December 2012
for
Mackay's Ltd



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for the Year Ended 31 December 2012

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Mackay's Ltd
Company Information
for the Year Ended 31 December 2012

DIRECTORS: C P Grant
H M Grant
A N Williamson
M C Grant

SECRETARY: M C Grant

REGISTERED OFFICE: Unit 4 James Chalmers Road
Kirkton Industrial Estate
Arbroath
ANGUS
DD11 3LR

REGISTERED NUMBER: SC155016

SENIOR STATUTORY AUDITOR: Gordon Coupar CA

AUDITORS: MMG Archbold
Statutory Auditor
Chapelshade House
78-84 Bell Street
Dundee
DD1 1RQ

SOLICITORS: Thorntons Law LLP
Whitehall House
33 Yeaman Shore
Dundee
DD1 4BJ

Report of the Directors
for the Year Ended 31 December 2012

The directors present their report with the accounts of the company for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of marmalade, preserves and chutney manufacturers.

REVIEW OF BUSINESS

In the year under review the company experienced a growth in turnover and profitability. The directors hope to be able to maintain this performance in the coming year with the introduction and development of new products and new markets.

Financial key performance indicators (KPIs)

The directors rely upon a number of financial KPIs and, for the period under review, consider all of these to be in line with their expectations.

Non financial key performance indicators (KPIs)

The directors consider a number of non financial performance indicators on an ongoing basis, such as the recruitment and retention of talented employees with skills to meet its objectives and the monitoring of health and safety incident reports.

Financial risk management objectives and policies

The company's principal financial instruments comprise bank and other loans, hire purchase contracts, and redeemable shares. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments relate to interest rates, commodity price rises, liquidity, foreign currency fluctuations and credit. The board reviews and agrees policies for managing each of these risks and these are summarised below.

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's long-term debt obligations. The company's policy is to manage its interest cost using a mix of fixed and variable rate debt and to minimise its overdraft as far as possible. The company finances specific large plant acquisitions via hire purchase contracts.

Foreign currency risk

As a result of sales to customers outwith the United Kingdom, the company's profits can be affected by movements in foreign exchange rates. The company does not seek to hedge this exposure, with any gains or losses arising on movements in exchange rates being recognised as they occur.

Commodity price risk

The company's exposure to the price of production materials and ingredients is significant; therefore selling prices are monitored regularly to reduce the impact of such risk.

Credit risk

The company trades with only recognised, creditworthy third parties. It is company policy that customers who wish to trade on credit terms are subject to credit vetting procedures. In the case of overseas customers, either a partial or full deposit payment may be requested before goods are shipped or, alternatively, letters of credit may be obtained from the customers' bankers. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, bank and other loans and hire purchase contracts. This balance mitigates the risk of potential cashflow issues which may have an impact on operational requirements of the company.

Report of the Directors
for the Year Ended 31 December 2012

REVIEW OF BUSINESS - continued

Other risks and uncertainties

The company is influenced by a number of other risks and uncertainties such as government regulation, and, as a company selling in many countries worldwide, unexpected economic conditions in these markets which may affect the financial position of our customers and their willingness to commit expenditure. The company monitors developments in these areas on an ongoing basis to ensure it can mitigate the effect of such changes.

DIVIDENDS

The profit for the year, after taxation, amounted to £271,050. The directors have not recommended a dividend.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

C P Grant
H M Grant
A N Williamson
M C Grant

Other changes in directors holding office are as follows:

A R MacGregor - resigned 1 June 2012

CHARITABLE CONTRIBUTIONS

During the year the company made contributions to various charities and local organisations amounting to £5,838.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2012

AUDITORS

The auditors, MMG Archbold, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

m c g
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A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke.

M C Grant - Director

10 June 2013

Report of the Independent Auditors to
Mackay's Ltd
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages six to twenty one, together with the full financial statements of Mackay's Ltd for the year ended 31 December 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

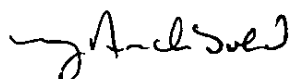
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Gordon Coupar CA (Senior Statutory Auditor)
for and on behalf of MMG Archbold
Statutory Auditor
Chapelshade House
78-84 Bell Street
Dundee
DD1 1RQ

10 June 2013

Mackay's Ltd (Registered number: SC155016)

Abbreviated Profit and Loss Account
for the Year Ended 31 December 2012

	Notes	2012 £	£	2011 £	£
TURNOVER	2		14,570,017		12,468,155
Cost of sales and other operating income			(10,063,254)		(8,335,214)
			<hr/>		<hr/>
			4,506,763		4,132,941
Distribution costs		830,698		729,332	
Administrative expenses		<u>2,962,339</u>		<u>2,676,586</u>	
			<hr/>		<hr/>
			3,793,037		3,405,918
OPERATING PROFIT	4		<hr/>		<hr/>
			713,726		727,023
Interest payable and similar charges	5		<hr/>		<hr/>
			306,127		326,198
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			<hr/>		<hr/>
			407,599		400,825
Tax on profit on ordinary activities	6		<hr/>		<hr/>
			136,549		185,331
PROFIT FOR THE FINANCIAL YEAR			<hr/>		<hr/>
			271,050		215,494

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these abbreviated accounts

Mackay's Ltd (Registered number: SC155016)

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2012

	2012 £	2011 £
PROFIT FOR THE FINANCIAL YEAR	271,050	215,494
Unrealised surplus on revaluation of properties	105,120	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>376,170</u>	<u>215,494</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

The notes form part of these abbreviated accounts

Mackay's Ltd (Registered number: SC155016)

Abbreviated Balance Sheet
31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	7	1,321,227	1,031,501
Tangible assets	8	5,612,881	5,466,494
		<u>6,934,108</u>	<u>6,497,995</u>
CURRENT ASSETS			
Stocks	9	2,900,870	2,950,373
Debtors	10	2,974,512	2,268,753
Cash in hand		324	550
		<u>5,875,706</u>	<u>5,219,676</u>
CREDITORS			
Amounts falling due within one year	11	7,399,306	6,281,843
NET CURRENT LIABILITIES		<u>(1,523,600)</u>	<u>(1,062,167)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,410,508	5,435,828
CREDITORS			
Amounts falling due after more than one year	12	(2,042,507)	(2,430,089)
PROVISIONS FOR LIABILITIES	16	<u>(383,831)</u>	<u>(397,739)</u>
NET ASSETS		<u>2,984,170</u>	<u>2,608,000</u>
CAPITAL AND RESERVES			
Called up share capital	17	14,542	14,542
Share premium	18	522,353	522,353
Revaluation reserve	18	1,598,979	1,540,890
Profit and loss account	18	848,296	530,215
SHAREHOLDERS' FUNDS	21	<u>2,984,170</u>	<u>2,608,000</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 10 June 2013 and were signed on its behalf by:

C P G

C P Grant - Director

The notes form part of these abbreviated accounts

Cash Flow Statement
for the Year Ended 31 December 2012

	Notes	2012 £	£	2011 £	£
Net cash inflow from operating activities	1		1,286,694		39,987
Returns on investments and servicing of finance	2		(306,127)		(326,198)
Taxation			(127,279)		(74,420)
Capital expenditure	2		(490,806)		(317,578)
			362,482		(678,209)
Financing	2		(780,479)		(326,343)
Decrease in cash in the period			<u>(417,997)</u>		<u>(1,004,552)</u>

**Reconciliation of net cash flow
to movement in net debt**

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Decrease in cash in the period	(417,997)	(1,004,552)
Cash outflow from decrease in debt and lease financing	<u>709,523</u>	<u>334,403</u>
Change in net debt resulting from cash flows	291,526	(670,149)
Movement in net debt in the period	291,526	(670,149)
Net debt at 1 January	<u>(6,511,181)</u>	<u>(5,841,032)</u>
Net debt at 31 December	<u>(6,219,655)</u>	<u>(6,511,181)</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 December 2012

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	713,726	727,023
Depreciation charges	430,708	362,683
Profit on disposal of fixed assets	(11,522)	-
Government grants	(30,878)	(2,437)
Decrease/(increase) in stocks	49,503	(729,358)
Increase in debtors	(714,967)	(308,977)
Increase/(decrease) in creditors	850,124	(8,947)
Net cash inflow from operating activities	1,286,694	39,987

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest paid	(238,621)	(291,303)
Interest element of hire purchase payments	(44,851)	(34,895)
Finance costs	(22,655)	-
Net cash outflow for returns on investments and servicing of finance	(306,127)	(326,198)
Capital expenditure		
Purchase of intangible fixed assets	(398,683)	(252,348)
Purchase of tangible fixed assets	(104,623)	(65,230)
Sale of tangible fixed assets	12,500	-
Net cash outflow for capital expenditure	(490,806)	(317,578)
Financing		
Loan repayments in year	(597,708)	(95,145)
Capital repayments in year	(211,188)	(192,501)
Amount introduced by directors	40,000	26,866
Amount withdrawn by directors	(42,461)	-
Redemption of shares	-	(68,000)
Grants received	30,878	2,437
Net cash outflow from financing	(780,479)	(326,343)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 December 2012

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.12 £	Cash flow £	At 31.12.12 £
Net cash:			
Cash at bank and in hand	550	(226)	324
Bank overdrafts	<u>(3,224,833)</u>	<u>(417,771)</u>	<u>(3,642,604)</u>
	<u>(3,224,283)</u>	<u>(417,997)</u>	<u>(3,642,280)</u>
Debt:			
Hire purchase	(220,124)	(48,185)	(268,309)
Debts falling due within one year	(702,091)	295,650	(406,441)
Debts falling due after one year	<u>(2,364,683)</u>	<u>462,058</u>	<u>(1,902,625)</u>
	<u>(3,286,898)</u>	<u>709,523</u>	<u>(2,577,375)</u>
Total	<u>(6,511,181)</u>	<u>291,526</u>	<u>(6,219,655)</u>

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2012

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the business review in the Report of the Directors. The financial position of the company, its cashflows, liquidity position and borrowing facilities are also described in that report.

As highlighted in notes 11, 12 and 13 to the financial statements, the company meets its day to day working capital through an overdraft facility, bank loans, hire purchase contracts, and other loans. The current economic conditions create uncertainty particularly over:-

- (a) the level of demand for the company's products;
- (b) the exchange rate between sterling and the countries in which the company trades; and
- (c) the availability of bank finance in the foreseeable future.

The company's forecasts and projections, taking account of possible changes in trading performance, show that the company should be able to operate within its current bank facilities. In addition, the company has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that appropriate facilities will not be available.

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 2% on cost
Plant and machinery	- 5% on cost
Motor vehicles	- 25% on cost
Office equipment	- Straight line over 3 years

Long leasehold assets are restated to current value using external professional valuations every 5 years in accordance with FRS 15. An interim valuation is also carried out in the third year.

Depreciation is provided on any revaluation from the date of such revaluation, at rates calculated to write off the cost or valuation (less any estimated residual value) of each asset over its expected useful life.

Stocks

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

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:-

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Business development costs

Amortisation is provided at the following annual rates in order to write off business development costs over their useful economic life as follows:-

Business development costs - 5% - 20% on cost

Financial instruments

Financial instruments are classified, and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Grants receivable

Grants received in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. Revenue grants are released to the profit and loss account over the life of the project to which they relate.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2012 £	2011 £
United Kingdom	9,415,595	7,329,588
Rest of the world	5,154,422	5,138,567
	<u>14,570,017</u>	<u>12,468,155</u>

3. STAFF COSTS

	2012 £	2011 £
Wages and salaries	2,900,521	2,518,075
Social security costs	248,583	213,680
Other pension costs	73,705	88,358
	<u>3,222,809</u>	<u>2,820,113</u>

The average monthly number of employees during the year was as follows:

	2012	2011
Production	110	108
Administration	30	29
	<u>140</u>	<u>137</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2012 £	2011 £
Hire of plant and machinery	100,223	116,056
Depreciation - owned assets	246,048	199,863
Depreciation - assets on hire purchase contracts	76,681	78,613
Profit on disposal of fixed assets	(11,522)	-
Development costs amortisation	107,979	84,207
Auditors' remuneration	11,000	12,000
Foreign exchange differences	49,026	15,872
	<u>239,844</u>	<u>228,272</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2012	2011
Money purchase schemes	<u>3</u>	<u>3</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

4. OPERATING PROFIT - continued

Information regarding the highest paid director is as follows:

	2012	2011
	£	£
Emoluments etc	<u>86,177</u>	<u>77,433</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	64,096	67,499
Bank loan interest	223,652	214,336
Pension scheme loan interest	(49,127)	8,149
Interest payable	-	1,319
Hire purchase	44,851	34,895
Preference dividends	22,655	-
	<u>306,127</u>	<u>326,198</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2012	2011
	£	£
Current tax:		
UK corporation tax	150,457	136,487
Overprovision in previous year	-	(9,208)
Total current tax	<u>150,457</u>	<u>127,279</u>
Deferred tax:		
Deferred tax	(13,908)	9,525
Change in corporation tax rate	-	48,527
Total deferred tax	<u>(13,908)</u>	<u>58,052</u>
Tax on profit on ordinary activities	<u>136,549</u>	<u>185,331</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	<u>407,599</u>	<u>400,825</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	97,824	104,215
Effects of:		
Expenses not deductible for tax purposes	13,578	8,788
Depreciation in excess of capital allowances	45,330	35,196
Adjustments to tax charge in respect of previous periods	-	(9,208)
Difference between standard and marginal rates of tax	<u>(6,275)</u>	<u>(11,712)</u>
Current tax charge	<u>150,457</u>	<u>127,279</u>

7. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2012	1,502,217
Additions	398,683
Disposals	<u>(1,630)</u>
At 31 December 2012	<u>1,899,270</u>
AMORTISATION	
At 1 January 2012	470,716
Amortisation for year	107,979
Eliminated on disposal	<u>(652)</u>
At 31 December 2012	<u>578,043</u>
NET BOOK VALUE	
At 31 December 2012	<u>1,321,227</u>
At 31 December 2011	<u>1,031,501</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012**

8. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST OR VALUATION					
At 1 January 2012	2,999,270	3,728,797	132,748	263,565	7,124,380
Additions	32,331	154,845	152,807	24,013	363,996
Disposals	-	-	(33,335)	-	(33,335)
At 31 December 2012	3,031,601	3,883,642	252,220	287,578	7,455,041
DEPRECIATION					
At 1 January 2012	337,819	958,952	107,711	253,404	1,657,886
Charge for year	60,632	194,182	52,619	15,296	322,729
Eliminated on disposal	-	-	(33,335)	-	(33,335)
Revaluation adjustments	(105,120)	-	-	-	(105,120)
At 31 December 2012	293,331	1,153,134	126,995	268,700	1,842,160
NET BOOK VALUE					
At 31 December 2012	2,738,270	2,730,508	125,225	18,878	5,612,881
At 31 December 2011	2,661,451	2,769,845	25,037	10,161	5,466,494

Cost or valuation at 31 December 2012 is represented by:

	Long leasehold £	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
Valuation in 2012	2,700,000	415,013	-	-	3,115,013
Cost	331,601	3,468,629	252,220	287,578	4,340,028
	3,031,601	3,883,642	252,220	287,578	7,455,041

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST OR VALUATION				
At 1 January 2012	1,028,800	91,001	13,266	1,133,067
Additions	123,553	152,807	-	276,360
Transfer to ownership	(759,545)	(33,335)	-	(792,880)
At 31 December 2012	392,808	210,473	13,266	616,547
DEPRECIATION				
At 1 January 2012	191,219	65,964	8,844	266,027
Charge for year	19,640	52,619	4,422	76,681
Transfer to ownership	(151,909)	(33,335)	-	(185,244)
At 31 December 2012	58,950	85,248	13,266	157,464
NET BOOK VALUE				
At 31 December 2012	333,858	125,225	-	459,083
At 31 December 2011	837,581	25,037	4,422	867,040

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

9. STOCKS

	2012	2011
	£	£
Raw materials	1,042,536	875,380
Work-in-progress	1,421,474	1,425,816
Finished goods	436,860	649,177
	<u>2,900,870</u>	<u>2,950,373</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	2,717,007	2,166,210
Other debtors	89,127	-
Tax	-	9,208
VAT	65,256	62,623
Prepayments	103,122	30,712
	<u>2,974,512</u>	<u>2,268,753</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank loans and overdrafts (see note 13)	3,913,045	3,818,924
Other loans (see note 13)	136,000	108,000
Hire purchase contracts (see note 14)	128,427	154,718
Trade creditors	2,583,284	1,950,681
Tax	150,457	136,487
Social security and other taxes	200,644	43,177
Other creditors	52,655	-
Directors' current accounts	187,682	30,143
Accruals and deferred income	47,112	39,713
	<u>7,399,306</u>	<u>6,281,843</u>

Dividends on the 3% floating rate cumulative redeemable preference shares are in arrears for the period from 16 December 2010 to 31 December 2012.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank loans (see note 13)	1,766,625	2,040,683
Other loans (see note 13)	136,000	324,000
Hire purchase contracts (see note 14)	139,882	65,406
	<u>2,042,507</u>	<u>2,430,089</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

13. LOANS

An analysis of the maturity of loans is given below:

	2012 £	2011 £
Amounts falling due within one year or on demand:		
Bank overdrafts	3,642,604	3,224,833
Bank loans	270,441	594,091
Pension Scheme loan	-	40,000
Preference shares	136,000	68,000
	<u>4,049,045</u>	<u>3,926,924</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	259,591	274,058
Pension scheme loan	-	40,000
Preference shares	68,000	68,000
	<u>327,591</u>	<u>382,058</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	828,773	1,038,364
Pension scheme loan	-	80,000
Preference shares	68,000	136,000
	<u>896,773</u>	<u>1,254,364</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans - more than 5 years	<u>678,261</u>	<u>728,261</u>

Included in bank loans and overdrafts are term loans being repaid over various terms with the last payment due in September 2021. Interest is charged at the bank base rate plus a percentage agreed at the time of the loan agreement. The amount repayable by instalments after five years is £678,261 (2011 - £728,261).

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	2012	2011
Number:	Class:		£	£
272,000	3% Floating Rate Cumulative Re	£1	<u>272,000</u>	<u>272,000</u>

The preference shares shown as liabilities are to be redeemed in five annual tranches of 68,000 with the first redemption taking place on 31 December 2011. The shares due to be redeemed at 31 December 2012 were not redeemed until early 2013 and are shown in current liabilities at this year-end. Any shares not redeemed at the appropriate time attract interest at a rate of 2% per annum above the preferred dividend rate.

The preferred dividends also fall due to be paid on the 31 December each year. Any dividends paid late attract interest of 2% per annum above the preferred dividend rate from the due date to the actual date of payment.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2012 £	2011 £
Net obligations repayable:		
Within one year	128,427	154,718
Between one and five years	139,882	65,406
	<u>268,309</u>	<u>220,124</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2012 £	2011 £
Bank overdrafts	3,642,604	3,224,833
Bank loans	2,037,066	2,634,774
Pension Scheme loan	-	160,000
Hire purchase contracts	268,309	220,124
	<u>5,947,979</u>	<u>6,239,731</u>

The bank loans and overdrafts are secured by a standard security over the company's leasehold property in Arbroath and a floating charge over the assets of the company.

The hire purchase creditors are secured on the underlying assets.

16. PROVISIONS FOR LIABILITIES

	2012 £	2011 £
Deferred tax		
Accelerated capital allowances	<u>383,831</u>	<u>397,739</u>
		Deferred tax
		£
Balance at 1 January 2012		397,739
Charge to profit and loss account during year		2,664
Change in corporation tax rate		(16,572)
Balance at 31 December 2012		<u>383,831</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2012 £	2011 £
Number:	Class:	Nominal value:		
14,542	Ordinary	£1	<u>14,542</u>	<u>14,542</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2012

18. RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2012	530,215	522,353	1,540,890	2,593,458
Profit for the year	271,050			271,050
Revaluation of property	-	-	105,120	105,120
Transfer of depreciation on revalued asset	47,031	-	(47,031)	-
At 31 December 2012	<u>848,296</u>	<u>522,353</u>	<u>1,598,979</u>	<u>2,969,628</u>

19. CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>248,147</u>	<u>-</u>

20. ULTIMATE CONTROLLING PARTY

The controlling party is C P Grant.

The ultimate controlling party is C P Grant.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	271,050	215,494
Other recognised gains and losses relating to the year (net)	<u>105,120</u>	<u>-</u>
Net addition to shareholders' funds	376,170	215,494
Opening shareholders' funds	<u>2,608,000</u>	<u>2,392,506</u>
Closing shareholders' funds	<u>2,984,170</u>	<u>2,608,000</u>