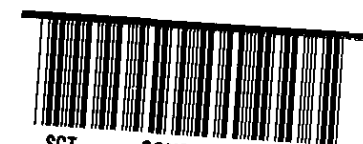


**MACKAYS LTD.**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31ST DECEMBER 2000**

**Company Registration Number 155016**



**COMPANIES HOUSE** 18/12/01

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

**MACKAYS LTD.**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2000**

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# **MACKAYS LTD.**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

Mr C P Grant  
Mrs H M Grant  
Mr A R MacGregor  
Mr W McAdam  
Mr A N Williamson

### **Company secretary**

Mr A R MacGregor

### **Registered office**

21 Thistle Street  
Carnoustie  
Angus  
DD7 7PR

### **Auditors**

Miller, McIntyre & Gellatly CA  
Chartered Accountants  
& Registered Auditors  
20 Reform Street  
Dundee  
DD1 1RQ

**MACKAYS LTD.****THE DIRECTORS' REPORT****YEAR ENDED 31ST DECEMBER 2000**

The directors present their report and the financial statements of the company for the year ended 31st December 2000.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of preserve and chocolate manufacturers.

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 31 December 2000	At 1 January 2000
		or later date of appointment	
Mr C P Grant		4,438	50
Mrs H M Grant		4,437	50
Mr A R MacGregor		-	-
Mr W McAdam	(Appointed 29 March 2000)	-	-
Mr A N Williamson	(Appointed 11 September 2000)	<u>1,125</u>	<u>-</u>

Mr A N Williamson has invested £150,000 to acquire 11.25% of the enlarged capital of the business. It is his intention to invest a further £50,000 to bring his shareholding up to 15% by the end of the year.

This money is to be used to complete the factory extension programme and to provide a measure of additional working capital.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

**AUDITORS**

A resolution to re-appoint Miller, McIntyre & Gellatly CA as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**MACKAYS LTD.**

**THE DIRECTORS' REPORT** *(continued)*

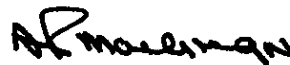
**YEAR ENDED 31ST DECEMBER 2000**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
21 Thistle Street  
Carnoustie  
Angus  
DD7 7PR

Signed by order of the directors



MR A R MACGREGOR  
Company Secretary

Approved by the directors on 14.12.2001

**MACKAYS LTD.****AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST DECEMBER 2000**

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 7 to 8.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

20 Reform Street  
Dundee  
DD1 1RQ

MILLER, McINTYRE & GELLATLY CA  
Chartered Accountants  
& Registered Auditors

14/12/00

*mm mtr & mg*

**MACKAYS LTD.****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST DECEMBER 2000**

	<i>Nota</i>	2000 £	1999 £
<b>TURNOVER</b>	<b>2</b>	<b>1,406,377</b>	<b>1,541,857</b>
Cost of sales		<u>868,208</u>	<u>986,084</u>
<b>GROSS PROFIT</b>		<b>538,169</b>	<b>555,773</b>
Distribution Costs		104,884	92,425
Administrative expenses		511,758	470,787
Other operating income		<u>(13,629)</u>	<u>(63,547)</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(64,844)</b>	<b>56,108</b>
Interest payable and similar charges		99,059	135,181
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(163,903)</u>	<u>(79,073)</u>
Tax on loss on ordinary activities		-	3,585
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(163,903)</b>	<b>(75,488)</b>
Balance brought forward		<u>(186,502)</u>	<u>(111,014)</u>
Balance carried forward		<u><b>(350,405)</b></u>	<u><b>(186,502)</b></u>

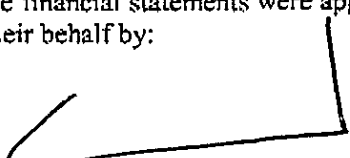
The notes on pages 7 to 12 form part of these financial statements.

**MACKAYS LTD.****BALANCE SHEET****31ST DECEMBER 2000**

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Intangible assets	5	308,040	269,027
Tangible assets	6	609,673	474,980
		917,713	744,007
<b>CURRENT ASSETS</b>			
Stocks	7	500,993	220,193
Debtors	8	533,146	274,736
Cash in hand		131	271
		1,034,270	495,200
<b>CREDITORS: Amounts falling due within one year</b>	9	(1,684,972)	(881,397)
<b>NET CURRENT LIABILITIES</b>		(650,702)	(386,197)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		267,011	357,810
<b>CREDITORS: Amounts falling due after more than one year</b>	10	(458,541)	(544,212)
		(191,530)	(186,402)
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	13	10,000	100
Share premium account	14	148,875	-
Profit and Loss Account		(350,405)	(186,502)
<b>DEFICIENCY</b>		(191,530)	(186,402)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 14/12/2001, and are signed on their behalf by:



MR C P GRANT



# **MACKAYS LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2000**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

#### **Turnover**

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

#### **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:

Factory - 2% on cost

Plant and machinery, etc - 10% on cost

Motor Vehicles - 25% on cost

Office Equipment - 33.3% 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.

**MACKAYS LTD.****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****1. ACCOUNTING POLICIES** *(continued)***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 £18,079 (1999 - £12,470).

**Grants receivable**

Grants of a revenue nature are credited to the profit and loss account in the year to which they relate.

**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.

**2. TURNOVER**

Overseas turnover amounted to 39.56% (1999 - 49.37%) of the total turnover for the year.

**3. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging/(crediting):

	2000	1999
	£	£
Staff pension contributions	18,079	12,470
Amortisation	62,697	58,001
Depreciation	44,550	39,187
Profit on disposal of fixed assets	-	(995)
Auditors' fees	<u>5,113</u>	<u>3,000</u>

**4. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	2000	1999
	£	£
Aggregate emoluments	<u>134,256</u>	<u>75,000</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2000	1999
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

**MACKAYS LTD.****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****5. INTANGIBLE FIXED ASSETS**

	<b>Business Development Costs £</b>
<b>COST</b>	
At 1st January 2000	400,163
Additions	<u>101,710</u>
<b>At 31st December 2000</b>	<u><b>501,873</b></u>
<b>AMORTISATION</b>	
At 1st January 2000	131,136
Charge for the year	<u>62,697</u>
<b>At 31st December 2000</b>	<u><b>193,833</b></u>
<b>NET BOOK VALUE</b>	
<b>At 31st December 2000</b>	<u><b>308,040</b></u>
At 31st December 1999	<u>269,027</u>

**6. TANGIBLE FIXED ASSETS**

	<b>Factory £</b>	<b>Plant &amp; Machinery £</b>	<b>Motor Vehicles £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>COST</b>					
At 1 January 2000	203,704	358,863	-	-	562,567
Additions	100,395	70,348	15,562	8,429	194,734
Disposals	-	(16,143)	-	-	(16,143)
<b>At 31 December 2000</b>	<u><b>304,099</b></u>	<u><b>413,068</b></u>	<u><b>15,562</b></u>	<u><b>8,429</b></u>	<u><b>741,158</b></u>
<b>DEPRECIATION</b>					
At 1 January 2000	5,015	82,572	-	-	87,587
Charge for the year	4,298	35,920	3,203	1,129	44,550
On disposals	-	(652)	-	-	(652)
<b>At 31 December 2000</b>	<u><b>9,313</b></u>	<u><b>117,840</b></u>	<u><b>3,203</b></u>	<u><b>1,129</b></u>	<u><b>131,485</b></u>
<b>NET BOOK VALUE</b>					
<b>At 31 December 2000</b>	<u><b>294,786</b></u>	<u><b>295,228</b></u>	<u><b>12,359</b></u>	<u><b>7,300</b></u>	<u><b>609,673</b></u>
At 31 December 1999	<u>198,689</u>	<u>276,291</u>	<u>-</u>	<u>-</u>	<u>474,980</u>

**Hire purchase agreements**

Included within the net book value of £609,673 is £147,656 (1999 - £176,159) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £20,676 (1999 - £22,288).

**MACKAYS LTD.****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****7. STOCKS**

	2000 £	1999 £
Raw Materials	182,629	176,144
Finished goods	318,364	44,049
	<u>500,993</u>	<u>220,193</u>

**8. DEBTORS**

	2000 £	1999 £
Trade debtors	460,662	245,262
Other debtors	59,362	21,014
Prepayments and accrued income	13,122	8,460
	<u>533,146</u>	<u>274,736</u>

**9. CREDITORS: Amounts falling due within one year**

	2000 £	1999 £
Bank loans and overdrafts	1,265,925	514,335
Trade creditors	229,997	214,333
Hire purchase agreements	31,416	48,341
Other creditors including taxation:		
PAYE and social security	16,980	10,369
Other creditors	<u>2,335</u>	<u>1,396</u>
	19,315	11,765
Accruals and deferred income	138,319	92,623
	<u>1,684,972</u>	<u>881,397</u>

An analysis of the maturity of loans and overdrafts is given below:

Amounts falling due within one year or on demand:

	£	£
Bank overdraft	1,198,844	452,929
Bank loans	67,081	61,406
	<u>1,265,925</u>	<u>514,335</u>

**MACKAYS LTD.****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****10. CREDITORS: Amounts falling due after more than one year**

	2000	1999
	£	£
Bank loans and overdrafts	425,728	484,922
Hire purchase agreements	32,813	59,290
	<u>458,541</u>	<u>544,212</u>

An analysis of the maturity of loans is given below:

Amounts falling due between one and two years:

	£	£
Bank loans	<u>34,432</u>	<u>65,111</u>

Amounts falling due between two and five years:

	£	£
Bank loans	33,333	51,662
Pension loan	120,000	120,000
	<u>153,333</u>	<u>171,662</u>

Amounts falling due after more than five years:

	£	£
Pension loan	200,000	200,000
Bank loan	37,963	48,149
	<u>237,963</u>	<u>248,149</u>

**SECURED DEBTS**

The bank borrowings are secured by: the assignation by MacKay's Ltd of an insurance policy over the life of C P Grant, the sum assured being £300,000; a letter of guarantee by the directors for £150,000; and by a bond and floating charge over the whole assets of the company.

**11. 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 is £12,000.

**MACKAYS LTD.****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2000****12. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr Paul Grant throughout the current and previous year. Mr Paul Grant is the managing director and majority shareholder.

The company paid rent to the MacKay's Ltd pension scheme for the use of premises at 21 Thistle Street, Carnoustie. The annual rent is £18,000.

In addition the company has a loan from the MacKay's Ltd pension scheme. The balance outstanding at the year end was £320,000. Interest is charged at 4% over the prevailing National Westminster Bank plc base rate on the first £120,000 and at 3% on the remaining £200,000.

**13. SHARE CAPITAL****Authorised share capital:**

	2000 £	1999 £
250,000 Ordinary shares of £1.00 each	<u>250,000</u>	<u>250,000</u>

**Allotted, called up and fully paid:**

	2000 £	1999 £
Ordinary share capital brought forward	100	128
Issue of ordinary shares	<u>9,900</u>	<u>(28)</u>
	<u>10,000</u>	<u>100</u>

The Pensions Superannuation Office has expressed the view that is in unwilling to allow all or part of the Pension Scheme Loan at this time to be capitalised. Accordingly the company's records have been altered to reflect this view.

**14. SHARE PREMIUM ACCOUNT**

	2000 £	1999 £
Balance brought forward	-	214,972
Premium on shares issued in the year	<u>148,875</u>	<u>(214,972)</u>
	<u>148,875</u>	<u>-</u>