

J. and A. Wilson and Sons (Dairies) Limited

Auditors' Report to the Directors  
and  
Statement of Modified Accounts  
For the Year Ended 31st March 1997

Company Registration Number - 38444





REPORT OF THE AUDITORS TO THE DIRECTORS OF  
J. and A. Wilson and Sons (Dairies) Limited  
For the Year Ended 31st March 1997

STIRLING, 7th November 1997

In our opinion the Directors are entitled under Sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31st March 1997 and the modified accounts on pages 3 to 5 have been properly presented in accordance with Schedule 8 of that Act. On 7th November 1997 we reported as Auditors of J. and A. Wilson and Sons (Dairies) Limited to the members on the Company's Financial Statements prepared under Section 227 of the Companies Act 1985 for the year ended 31st March 1997 and our audit opinion was as follows:-

"We have audited the Financial Statements as presented on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies as set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

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 OPINION

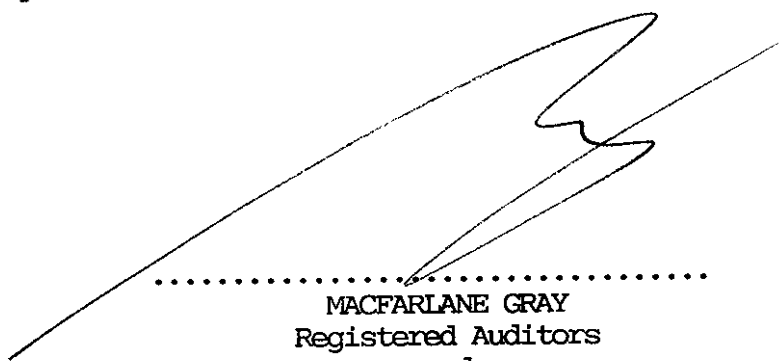
Audit Procedures

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 Company's affairs as at 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

A large, stylized handwritten signature in black ink, slanted upwards from left to right, crossing over a dotted line.


.....  
MACFARLANE GRAY  
Registered Auditors  
and  
Chartered Accountants

**MODIFIED BALANCE SHEET**  
**As at 31st March 1997**

	Note	1997 £	1996 £
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	2	69,395	71,761
Investments		3,750	3,750
		<u>73,145</u>	<u>75,511</u>
<b><u>CURRENT ASSETS</u></b>			
Stock		24,423	28,300
Debtors		17,634	16,093
Cash at Bank and in Hand		2,745	4,102
		<u>44,802</u>	<u>48,495</u>
<b><u>CREDITORS: Amounts falling due within one year</u></b>		57,658	64,919
<b><u>NET CURRENT LIABILITIES</u></b>		<u>(12,856)</u>	<u>(16,424)</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>60,289</u>	<u>59,087</u>
<b><u>CREDITORS: Amounts falling due after one year</u></b>		2,933	4,533
<b><u>NET ASSETS</u></b>		<u>57,356</u>	<u>54,554</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up Share Capital	3	4,000	4,000
Revaluation Reserve		41,911	41,911
Capital Reserve		1,500	1,500
Profit and Loss Account		9,945	7,143
		<u>57,356</u>	<u>54,554</u>

In preparing these modified accounts, we have relied on Sections 247 to 249 of the Companies Act 1985 as enabling us to deliver accounts modified as for a small company.

Approved by the Board

  
.....DIRECTOR  
Mr T Wilson

  
.....DIRECTOR  
Mrs A G Wilson

.....7th November 1997.....DATE

NOTES TO THE MODIFIED ACCOUNTS  
For the Year Ended 31st March 1997

**1 ACCOUNTING POLICIES**

**Accounting Policies**

Set out below are the Company's accounting policies.

**Accounting Convention**

The accounts are prepared under the historical cost convention. All figures in the Profit and Loss Account are inclusive of V.A.T.

**Depreciation**

Depreciation is provided on all Tangible Fixed Assets at rates calculated to write off the cost less any residual value of each asset evenly over its expected useful life, as follows:

Heritable Property	-	1% Reducing Balance Method
Plant and Equipment	-	15% Reducing Balance Method
Furniture and Fittings	-	15% Reducing Balance Method

**Stocks**

Stocks, as valued by the Directors, are stated at the lower of cost and net realisable value.

**Deferred Taxation**

No provision has been made for deferred tax.

**NOTES TO THE MODIFIED ACCOUNTS**  
**For the Year Ended 31st March 1997**

**2 TANGIBLE FIXED ASSETS**

	Heritable Property £	Plant & Equipment £	Furniture & Fittings £	Total £
Cost or Valuation:				
As At 1st April 1996	60,000	19,446	39,633	119,079
At 31st March 1997	<u>60,000</u>	<u>19,446</u>	<u>39,633</u>	<u>119,079</u>
Depreciation:				
As At 1st April 1996	-	9,639	37,679	47,318
Charge for year	600	1,472	294	2,366
At 31st March 1997	<u>600</u>	<u>11,111</u>	<u>37,973</u>	<u>49,684</u>
Net Book Value				
At 31st March 1997	<u>59,400</u>	<u>8,335</u>	<u>1,660</u>	<u>69,395</u>
At 1st April 1996	<u>60,000</u>	<u>9,807</u>	<u>1,954</u>	<u>71,761</u>

**HERITABLE PROPERTY REVALUATION**

The property at 6 Huntly Crescent, Stirling has been revalued at £60,000. This is based upon a professional valuation in 1987 and therefore may not reflect the current value. This valuation excludes goodwill.

**3 SHARE CAPITAL**

	1997 £	1996 £
Allotted, called up and fully paid:		
Ordinary Shares of £1 each	<u>4,000</u>	<u>4,000</u>
Authorised:		
Ordinary Shares of £1 each	<u>4,000</u>	<u>4,000</u>

**4a GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

- (a) The Royal Bank of Scotland plc holds a Standard Security over the property at 6 Huntly Crescent.
- (b) The Royal Bank of Scotland plc holds Bond and Floating Charge over all the Heritable and Moveable Assets of the Company.
- (c) The Royal Bank of Scotland plc holds a Guarantee for £30,000 granted by Mr T Wilson and Mrs A G Wilson.

**NOTES TO THE MODIFIED ACCOUNTS**  
**For the Year Ended 31st March 1997**

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