

**DALCROSS SAWMILLS LIMITED**

**Financial Accounts**

**Year Ended 31st May 1998**

**(Company Number 124041)**



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M G McNeill  
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**DALCROSS SAWMILLS LIMITED**

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## **DALCROSS SAWMILLS LIMITED**

### **REPORT of the AUDITOR to the MEMBERS of the COMPANY**

**Year Ended 31st MAY 1998**

**Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985**

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I have examined the abbreviated financial statements on pages six to seven together with the full financial statements of Dalcross Sawmills Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st May 1998.

#### **Respective responsibilities of directors and auditors:**

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is my responsibility to form an independent opinion as to the Company's entitlement to the exemptions claimed in the directors' statement on page seven and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

#### **Basis of opinion:**

I have carried out the procedures I considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of my work for the purpose of this report does not include examining or dealing with events after the date of my report on the full financial statements.

#### **Opinion:**

In my opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st May 1998, and the abbreviated financial statements on pages six to seven have been properly prepared in accordance with that Schedule.

#### **Other information:**

On 16th March 1999, I reported, as auditor of Dalcross Sawmills Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st May 1998, and my audit report was as follows:

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## **DALCROSS SAWMILLS LIMITED**

### **Report of the Auditor (Continued) to Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985**

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"I have audited the financial statements on pages 8 to 13 which have been prepared under the historical cost convention and the accounting policies."

#### **Respective responsibilities of directors and auditors:**

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

#### **Basis of opinion:**

I conducted my 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 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion:**

In my opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st May 1998 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.

It is my considered opinion that the Company cannot continue to absorb losses of this size, and it is felt that the Company will be forced to cease trading in the very near future. The Assets of the Company have been valued on the basis of the written down values less depreciation, although it is recognised that, on break up, these figures may not be achieved.

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**DALCROSS SAWMILLS LIMITED**

**Report of the Auditor (Continued) to  
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985**

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**M G McNeill  
Certified Accountant  
3 Beaufort Road,  
Inverness,  
IV2 3NP**

**16th March 1999**

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M G McNeill  
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**DALCROSS SAWMILLS LIMITED****BALANCE SHEET AS AT 31st May 1998**

		<u>31st May</u> <u>1998</u>	<u>31st May</u> <u>1997</u>
	<u>NOTE</u>	<u>£</u>	<u>£</u>
<b>FIXED ASSETS:</b>	4	55,576	24,333
		-----	-----
<b>CURRENT ASSETS:</b>			
Stocks	5	117,550	57,942
Debtors		111,002	110,665
Cash		310	
		-----	-----
		228,862	168,607
		-----	-----
<b>CURRENT LIABILITIES:</b>			
Amounts falling due within 1 year		354,182	174,439
		-----	-----
<b><u>NET CURRENT (LIABILITIES)/ASSETS:</u></b>		- 125,320	- 5,832
		-----	-----
<b><u>TOTAL ASSETS LESS</u></b>			
<b><u>CURRENT LIABILITIES:</u></b>		- 69,744	18,501
<b>LONG TERM LOANS:</b>		43,289	12,300
		-----	-----
		- 113,033	6,201
		=====	=====
<b><u>CAPITAL and RESERVES:</u></b>			
Issued Share Capital	2	10,000	10,000
HIE Grant Received			10,000
Profit and Loss Account	3	- 123,033	- 13,799
		-----	-----
		- 113,033	6,201
		=====	=====

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# DALCROSS SAWMILLS LIMITED

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## Abbreviated Balance Sheet

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



**Director**

Approved by the Board on 16th March 1999

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## **DALCROSS SAWMILLS LIMITED**

### **Notes to the Abbreviated Financial Statements for the Year Ended 31st May 1998**

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#### **1) ACCOUNTING POLICIES:**

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

##### **Financial Reporting Standard Number 1.**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

##### **Turnover**

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

#### **2) CALLED UP SHARE CAPITAL**

##### **AUTHORISED:**

Ordinary Shares of £1 each	100,000	100,000
	=====	=====

##### **ISSUED:**

Ordinary Shares of £1 each	10,000	10,000
	=====	=====

#### **3) Company Reserves:**

Profit and Loss Account	-£123,033	-£13,799
	=====	=====

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# DALCROSS SAWMILLS LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31st MAY 1998

### 4 Fixed Assets:

	<u>Furniture &amp; Fits</u>	<u>Plant &amp; Machinery</u>	<u>Motor Vehicles</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b><u>COST:</u></b>				
Brought Forward	376	55,277	13,030	68,683
ADD: Transferred	1,736	36,450	11,586	49,772
-----	-----	-----	-----	-----
	2,112	91,727	24,616	118,455
	=====	=====	=====	=====

### **DEPRECIATION:**

Brought Forward	237	35,264	8,849	44,450
Charge for the Year	472	14,115	3,942	18,529
-----	-----	-----	-----	-----
	709	49,379	12,891	62,979
	=====	=====	=====	=====

### **Net Book Vale as at 31st May 1998**

£1,403	£42,348	£11,825	£55,576
=====	=====	=====	=====

### **Net Book Value as at 31st May 1997**

£139	£20,013	£4,181	£24,333
=====	=====	=====	=====

The tangible fixed assets are stated at cost.

Depreciation is calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Motor Vehicles	25% reducing balance method
Plant and Machinery	20% reducing balance method
Furniture and Fittings	10% of cost

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**NOTES TO THE ACCOUNTS - YEAR ENDED 31st MAY 1998**

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	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
5) <b>STOCK:</b>		
Timber Products	117,550	57,942
	=====	=====

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the latest purchase price available is used.

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