

(Continued)

COMPANY NUMBER: 176949

# HAMLYNS OF SCOTLAND LIMITED

## ANNUAL REPORT

PERIOD ENDED 31 JULY 1998

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# HAMLYNS OF SCOTLAND LIMITED

## COMPANY INFORMATION

**Directors** J E Lea (appointed 13 August 1997)  
P Lea (appointed 13 August 1997)  
D Flint (resigned 13 August 1997)  
I Dickson (resigned 13 August 1997)

**Secretary** D Warr

**Company Number** 176949

**Auditors** Pannell Kerr Forster  
Chartered Accountants  
Regent House  
Clinton Avenue  
Nottingham  
NG5 1AZ

# HAMLYNS OF SCOTLAND LIMITED

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**HAMLUNS OF SCOTLAND LIMITED**  
**DIRECTORS' REPORT**  
**PERIOD ENDED 31 JULY 1998**

The directors submit their report and the financial statements for the period ended 31 July 1998.

**Results and dividends**

The loss for the period, after taxation, amounted to £(85,119).

**Principal activity and review of business**

The company was incorporated on 4 July 1997 under the name Macrocom (440) Limited and on the 15 August 1997 changed its name to Hamlyns of Scotland Limited.

On 15 August 1997, the company acquired part of the undertaking and certain assets of North Eastern Farmers Limited.

The principal activity of the company was that of milling oats.

**Directors**

The directors who served during the period and their interests in the company's issued share capital at the balance sheet date and at the start of the period (or date of appointment, if later) were:

	Ordinary £1 shares	
	1997	1998
J E Lea (appointed 13 August 1997)	-	-
P Lea (appointed 13 August 1997)	-	-
D Flint (resigned 13 August 1997)	1	-
I Dickson (resigned 13 August 1997)	1	-

J E Lea and P Lea had no interest in the share capital of the company during the period.

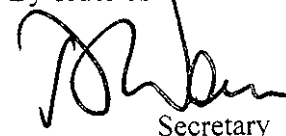
Their interest in the share capital of the parent company is disclosed in the consolidated financial statements of that company.

**Auditors**

The auditors, Pannell Kerr Forster, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members.

9 October 1998

By order of the board

  
Secretary

# **HAMLUNS OF SCOTLAND LIMITED**

## **STATEMENT OF 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 and of the profit or loss of the company for that period. 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;
- 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 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
HAMLYNS OF SCOTLAND LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of 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.

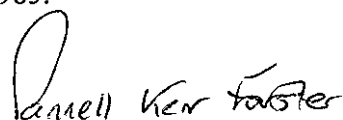
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. 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 affairs of the company as at 31 July 1998 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PANNELL KERR FORSTER**  
Chartered Accountants  
Registered Auditors

Nottingham  
9 October 1998

**HAMLYNS OF SCOTLAND LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**PERIOD ENDED 31 JULY 1998**

	Notes	1998 £
<b>TURNOVER</b>	<b>2</b>	4,295,490
Cost of sales		(4,111,757)
		<hr/>
<b>GROSS PROFIT</b>		183,733
Distribution costs		(39,790)
Administrative expenses		(230,062)
Other operating income		1,000
		<hr/>
<b>OPERATING LOSS</b>	<b>3</b>	(85,119)
		<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(85,119)
<b>TAXATION</b>	<b>5</b>	-
		<hr/>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		(85,119)
		<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains or losses for the period other than those included in the profit and loss account.

**HAMLYNS OF SCOTLAND LIMITED**  
**BALANCE SHEET**  
**31 JULY 1998**

	Notes	1998 £
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible	6	1,436,714
<b>Current assets</b>		
Stocks	7	416,795
Debtors	8	504,461
Cash at bank and in hand		14,917
		<u>2,372,887</u>
<b>LIABILITIES</b>		
<b>Capital and reserves</b>		
Called up share capital	9	2
Profit and loss account	10	(85,119)
Long term loan	11	1,750,000
Creditors: amounts falling due within one year	12	708,004
		<u>2,372,887</u>

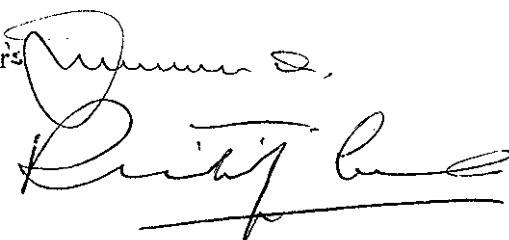
The financial statements were approved by the board on 9 October 1998

Signed on behalf of the board of directors

J. E. LEA.

Directors

P. LEA.





**HAMLUNS OF SCOTLAND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 JULY 1998**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

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

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-over 30 years
Plant, machinery and motor vehicles	-over 4 to 6 years
Freehold land is not depreciated.	

**(d) Operating leases**

Operating lease rentals are credited in the profit and loss account on a straight line basis over the lease term.

**(e) Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value.

**(f) Pensions**

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the period.

**2 TURNOVER**

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

**3 OPERATING LOSS**

The operating loss is stated after charging:

	<b>1998</b>
	<b>£</b>
Depreciation of tangible fixed assets:	
- owned by the company	393,905
Audit fees	2,500
	<hr/> <hr/>

No director received any emoluments.

**HAMLINS OF SCOTLAND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 JULY 1998**

**4 STAFF COSTS**

Staff costs were as follows:

	1998 £
Wages and salaries	374,984
Social security costs	36,676
Other pension costs	20,490
	<u>432,150</u>

The average monthly number of employees, including executive directors, during the period was:

	No.
Administration and sales	2
Production	24
	<u>26</u>

**5 TAXATION**

	1998 £
Current year taxation	
UK corporation tax at 21%	<u>-</u>

**6 TANGIBLE FIXED ASSETS**

	Freehold land & buildings £	Plant & machinery £	Total £
<b>Cost</b>			
Additions	275,000	1,555,619	1,830,619
At 31 July 1998	<u>275,000</u>	<u>1,555,619</u>	<u>1,830,619</u>
<b>Depreciation</b>			
Charge for year	5,000	388,905	393,905
At 31 July 1998	<u>5,000</u>	<u>388,905</u>	<u>393,905</u>
<b>Net book amount</b>			
At 31 July 1998	<u>270,000</u>	<u>1,166,714</u>	<u>1,436,714</u>

**HAMLUNS OF SCOTLAND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 JULY 1998**

**7 STOCKS**

	1998 £
Raw materials and finished goods	416,795
	<u>          </u>

**8 DEBTORS**

	1998 £
<b>Due within one year</b>	
Trade debtors	461,162
Other debtors	41,530
Prepayments & accrued income	1,769
	<u>          </u>
	504,461
	<u>          </u>

**9 SHARE CAPITAL**

	Authorised	Allotted, called up and fully paid	
		No.	
Movements in period:			
Ordinary shares of £1 each	100	2	2
	<u>100</u>	<u>2</u>	<u>2</u>
At 31 July 1998			
Ordinary shares of £1 each	100	2	2
	<u>100</u>	<u>2</u>	<u>2</u>
	<u>100</u>	<u>2</u>	<u>2</u>

On incorporation, 2 ordinary shares with an aggregate nominal value of £2 were issued for cash at par.

**10 RESERVES**

	£
<b>Profit and loss account</b>	
(Loss) for the period	(85,119)
	<u>          </u>
At 31 July 1998	(85,119)
	<u>          </u>

**HAMLYNS OF SCOTLAND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 JULY 1998**

**11 LONG TERM LOAN:**

	1998 £
Amounts owed to group undertakings	1,750,000

The loan is repayable after more than five years. No interest is currently charged on the outstanding balance.

**12 CREDITORS:**

**Amounts falling due within one year**

	1998 £
Trade creditors	56,027
Amounts owed to group undertakings	516,673
Other creditors	4,589
Accruals and deferred income	130,715
	<u>708,004</u>

**13 SHAREHOLDERS' FUNDS**

	1998 £
Shareholders' funds at 4 July 1997	-
(Loss) for the period	(85,119)
Other movements:	
New shares issued	2
	<u>(85,117)</u>
Shareholders' funds at 31 July 1998	<u>(85,117)</u>

**14 TRANSACTIONS WITH RELATED PARTIES**

Advantage has been taken of the exemption from disclosing transactions with other group companies, as the company is a wholly owned subsidiary.

**15 PENSION COSTS**

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the period is £20,490.

**HAMLUNS OF SCOTLAND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 JULY 1998**

**16 PARENT UNDERTAKINGS AND CONTROLLING PARTIES**

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Morning Foods Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company.