

85757  
/ 14

**McLean Brothers (Smoked Scottish Salmon)  
Company Limited**

**Accounts**

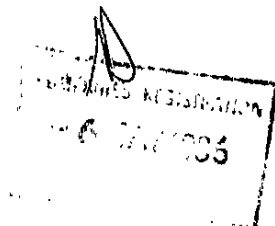
**29th December, 1984**



**Arthur Young**

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Chartered Accountants Glasgow



McLEAN BROS (SMOKED SCOTTISH SALMON) CO LTD

Notice is hereby given that the First Annual General Meeting of the Company will be held, at 208 West George Street, Glasgow, G2 2PE, on May 29, 1985, at 9.00 am, to transact the following business:

- 1) To receive the Directors' Report and Accounts for the period ended December 29, 1984.
- 2) To re-elect the following Directors being the first Directors:  

George William Jenkins  
Alastair Buchanan Murray .  
James Allan Denholm
- 3) To re-appoint Arthur Young, Chartered Accountants, Glasgow, as auditors of the Company and to authorise the Directors to fix their remuneration.
- 4) To transact any other business.

Any shareholder of the Company entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

By order of the Board

J Allan Denholm

Secretary

Registered Office:

208 West George Street  
GLASGOW  
G2 2PE

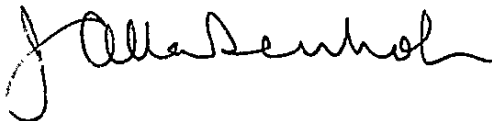
McLEAN BROTHERS (SMOKED SCOTTISH SALMON) COMPANY LIMITED

Notice is hereby given that the First Annual General Meeting of the Company will be held, at 208 West George Street, Glasgow, G2 2PE, on May 29 1985, at 9.00 am, to transact the following business:

- 1) To receive the Directors' Report and Accounts for the period ended December 29, 1984.
- 2) To re-elect the following Directors:  
  
George William Jenkins  
Alastair Buchanan Murray  
James Allan Denholm
- 3) To re-appoint Arthur Young, Chartered Accountants, Glasgow, as auditors of the Company and to authorise the Directors to fix their remuneration.
- 4) To transact any other business.

Any shareholder of the Company entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

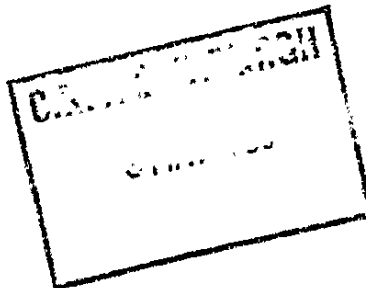
By order of the Board



Secretary

Registered Office:

208 West George Street  
Glasgow  
G2 2PE



McLEAN BROTHERS (SMOKED SCOTTISH SALMON) COMPANY LIMITED

1.

REPORT BY THE DIRECTORS

George W Jenkins - Chairman (appointed December 15, 1983)  
Alastair B Murray (appointed December 15, 1983)  
J Allan Denholm (appointed December 15, 1983)

The Directors submit their Report for the period ended December 29, 1984. The Company, formerly registered under the name of Gifnort Limited, was incorporated on November 30, 1983 and commenced trading on February 8, 1984. On March 6, 1984 the company changed its name to McLean Brothers (Smoked Scottish Salmon) Company Limited.

Results

The trading loss before tax for the period was £75,345.  
No dividend will be payable.

Review of the business

The principal activity of the company was the production and selling of smoked salmon. The loss was occasioned by a lack of sales volume.

Fixed assets

Nothing of significance was purchased other than the assets less leasing debts of the predecessor business.

Research and Development

The company is not at present carrying out any research and development activity.

Future Developments

The Company is actively pursuing means whereby additional outlets for its products can be secured.

Directors and their Interests

The Directors, at December 29, 1984, are listed above and only Mr. George W. Jenkins has a nominee interest in one Ordinary Share on Behalf of William Grant & Sons Ltd, of which the Company is a wholly owned Subsidiary.

Political and Charitable Contributions

No contributions were made during the period.

Disabled Employees

The Company provide continuing employment and opportunities for training for employees who are, or have become, disabled.

REPORT BY THE DIRECTORS  
(continued)

Employee Involvement

Staff are all involved in, and are informed of, the progress of the Company.

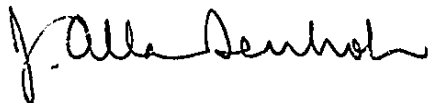
Auditors

A resolution to re-appoint Arthur Young (formerly Arthur Young McClelland Moores & Co), Chartered Accountants, Glasgow, as Auditors will be put to the members at the Annual General Meeting.

Close Company

The Company is a close company within the provisions of the Income & Corporation Taxes Act 1970.

By order of the Board



Secretary

May 8, 1985



# Arthur Young

Chartered Accountants  
George House, 50 George Square,  
Glasgow G2 1RR

REPORT OF THE AUDITORS  
TO THE MEMBERS OF McLEAN BROTHERS (SMOKED SCOTTISH SALMON) COMPANY LIMITED

We have audited the accounts on pages 4 to 11 in accordance with approved auditing standards.

In our opinion, the accounts, which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at December 29, 1984 and of its loss and source and application of funds for the period then ended and comply with the Companies Acts 1948 to 1981.

*Arthur Young*

May 8, 1985

McLEAN BROTHERS (SMOKED SCOTTISH SALMON) COMPANY LIMITED

4.

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED DECEMBER 29, 1984

	<u>Notes</u>	£	<u>1984</u> £
Turnover	2		206,439
Change in stock of finished goods and work in progress			18,114
			<u>224,553</u>
Raw Materials and Consumables		135,995	
Other External Charges		<u>20,725</u>	
			<u>156,720</u>
			67,833
Staff Costs	3	76,605	
Depreciation		11,661	
Other Operating Charges		<u>49,045</u>	
			<u>137,311</u>
Operating Loss	4		(69,478)
Overdraft Interest Payable			<u>5,867</u>
Loss on Ordinary Activities before Taxation			(75,345)
Taxation	5		<u>42,000</u>
Retained Loss Carried Forward			<u>£(33,345)</u>

The notes on pages 7 to 11 form part of these accounts

BALANCE SHEETAT DECEMBER 29, 1984

	<u>Notes</u>	£	<u>1984</u> £
<u>Fixed Assets</u>			
Tangible Assets	6		154,818
<u>Current Assets</u>			
Stocks	7	29,922	
Debtors	8	140,423	
Cash in Hand		20	
		-----	
		170,365	
		-----	
<u>Creditors: amounts falling due within one year</u>			
Bank Overdraft		98,315	
Trade Creditors		51,188	
Other Taxes and Social Security Costs		5,651	
Other Creditors		1,264	
Amount due to Parent Company		10,750	
Loan from Parent Company	9	146,157	
Accruals		19,103	
		-----	
		332,428	
		-----	
<u>Net Current Liabilities</u>			(162,063)
			-----
<u>Total Assets less Current Liabilities</u>			(7,245)
<u>Provision for Liabilities and Charges</u>			
Deferred Taxation	10		(26,000)
			-----
			£ (33,245)
			=====
<u>Capital and Reserves</u>			
Called up Share Capital	11		100
Profit and Loss Account			(33,345)
			-----
			£ (33,245)
			=====

*George W. Jenkins* Director

*J. Allen Denholm* Director

May 8, 1985

The notes on pages 7 to 11 form part of these accounts



McLEAN BROTHERS (SMOKED SCOTTISH SALMON) COMPANY LIMITED

6.

STATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE PERIOD ENDED DECEMBER 29, 1984

	£	<u>1984</u> £
<u>SOURCE OF FUNDS</u>		
<u>Funds from Other Sources</u>		
Proceeds of Share Issue		100
Loan from Parent Company		146,157
		<u>146,257</u>
<u>APPLICATION OF FUNDS</u>		
Loss on Ordinary Activities before Taxation	(75,345)	
Adjustment for Items not involving the movement of working capital:		
Depreciation	11,661	
	<u>(63,684)</u>	
<u>Funds absorbed by Operations</u>		
Purchase of Tangible Fixed Assets	(166,479)	
	<u>-----</u>	(230,163)
<u>Working Capital Decrease</u>		<u>£(83,906)</u> <u>=====</u>
<u>Components of Decrease in Working Capital</u>		
Stocks	29,922	
Debtors	72,423	
Creditors	(87,956)	
	<u>-----</u>	14,389
<u>Movement in Net Liquid Funds</u>		
Bank overdraft	(98,315)	
Cash in hand	20	
	<u>-----</u>	(98,295)
		<u>£(83,906)</u> <u>=====</u>

The notes on pages 7 to 11 form part of these accounts

NOTES TO THE ACCOUNTS

AT DECEMBER 29, 1984

1. ACCOUNTING POLICIES

Accounting Conventions

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold Buildings	-	over 50 years
Plant and Machinery	-	over 10 years
Fixtures and Fittings	-	over 10 years
Motor Vehicles	-	over 4 years

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw Materials	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred Taxation

Deferred taxation is provided on the liability method on all short term timing differences.

NOTES TO THE ACCOUNTS  
(continued)

AT DECEMBER 29, 1984

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided net of value added tax.

The turnover and pre-tax loss is attributable to one activity, the production and sale of smoked salmon.

An analysis of turnover by geographical market is given below:

	<u>1984</u> £
United Kingdom	166,532
Europe	19,712
Americas	7,894
Far East	12,301
	-----
	£206,439
	=====

3. STAFF COSTS

	<u>1984</u> £
Wages and salaries	59,445
Social Security Costs	6,650
Other Pension Costs	10,510
	-----
	£76,605
	=====

The average weekly number of employees during the year was made up as follows:

	<u>No.</u>
Production	9
Other	3
	-----
	12
	=====

4. OPERATING LOSS

	<u>1984</u> £
This is stated after charging:	
Hire of Plant and Machinery	1,023
Auditors' remuneration	2,500
	=====

NOTES TO THE ACCOUNTS  
(continued)

AT DECEMBER 29, 1984

5. TAXATION

	<u>1984</u> £
Based on the results for the period:	
Group relief	68,000
Deferred taxation	(26,000)
	=====
	£42,000
	=====

6. TANGIBLE FIXED ASSETS

	<u>Land and</u> <u>Buildings</u> £	<u>Plant and</u> <u>Machinery</u> £	<u>Fixtures</u> <u>and Fittings</u> £	<u>Motor</u> <u>Vehicles</u> £	<u>Total</u> £
Cost:					
Additions	78,000	71,010	7,382	10,087	166,479
	-----	-----	-----	-----	-----
At December 29, 1984	78,000	71,010	7,382	10,087	166,479
	-----	-----	-----	-----	-----
Depreciation:					
Provided during the year	1,300	7,101	738	2,522	11,661
	-----	-----	-----	-----	-----
At December 29, 1984	1,300	7,101	738	2,522	11,661
	-----	-----	-----	-----	-----
Net book value at					
At December 29, 1984	£76,700	£63,909	£6,644	£7,565	£154,818
	=====	=====	=====	=====	=====

7. STOCKS

	<u>1984</u> £
Raw Materials	3,988
Finished Goods	14,126
Packaging	11,808
	-----
	£29,922
	=====

NOTES TO THE ACCOUNTS  
(continued)

AT DECEMBER 29, 1984

8. DEBTORS

	<u>1984</u> £
Trade Debtors	69,140
Due by Parent Company	68,000
Other Debtors	2,440
Prepayments	843
	-----
	£140,423
	=====

9. LOAN FROM PARENT COMPANY

The loan from the parent company is interest free and there is no fixed date for repayment.

10. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential amounts, including the amounts for which provision has been made, are as follows:

	<u>Provision</u> <u>1984</u>	<u>Potential</u> <u>1984</u>
Capital allowances in advance of depreciation	£26,000	£26,000
	=====	=====

11. SHARE CAPITAL

	<u>Authorised</u> <u>1984</u> No.	<u>Allotted, issued and fully paid</u> <u>1984</u> £
100 Ordinary shares of £1 each	100	100
	==	==

During the period, 100 shares of £1 each were issued on formation of the company.

12. INVESTMENT

On March 20, 1984 the company acquired the issued ordinary share capital (2 shares of £1 each) of The Spey Valley Smokehouse Limited, which is a wholly owned non-trading subsidiary.

13. CAPITAL COMMITMENTS

There were no amounts contracted or authorised at December 29, 1984.

NOTES TO THE ACCOUNTS  
(continued)

AT DECEMBER 29, 1984

14. COMPANY INFORMATION

The company, formerly registered under the name of Gifnort Limited, was incorporated on November 30, 1983 and commenced trading on February 8, 1984. On March 6, 1984 the company changed its name to McLean Brothers (Smoked Scottish Salmon) Company Limited.

15. HOLDING COMPANY

The company is a subsidiary of William Grant & Sons Limited.