

REGISTERED NUMBER: 1259746 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

FOR

KEN MCNEILL LIMITED



KEN MCNEILL LIMITED

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FOR THE YEAR ENDED 31 MAY 1998

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KEN MCNEILL LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 1998

DIRECTOR: Mrs J F N B McNeill

SECRETARY: Mrs P M Worswick

REGISTERED OFFICE: DTE House
Hollins Mount
Bury
Lancashire
BL9 8AT

REGISTERED NUMBER: 1259746 (England and Wales)

AUDITORS: Downham Train Epstein
Chartered Accountants
Registered Auditors
DTE House
Bury
Lancashire
BL9 8AT

BANKERS: National Westminster Bank plc
2 Crown Street
Hebden Bridge
West Yorkshire
HX7 8EG

KEN MCNEILL LIMITED

REPORT OF THE AUDITORS TO **KEN MCNEILL LIMITED** **UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages four to seven, together with the full financial statements of the company for the year ended 31 May 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages four to seven are properly prepared in accordance with those provisions.

Other information

On 29 June 1999 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 May 1998 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements on pages four to eleven which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is 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 issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 director 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 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. However the company did not undertake a year end stocktake at 31 May 1997 and, therefore, opening stock and work in progress has been included at a directors' valuation.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

KEN MCNEILL LIMITED

REPORT OF THE AUDITORS TO
KEN MCNEILL LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

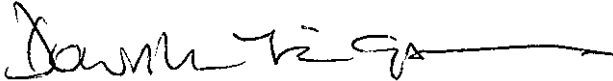
Going concern

The financial statements have not been prepared on a going concern basis. Details of the circumstances which give rise to this are as described in note 1 to the financial statements. As a consequence, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets. The director has quantified these potential effects as described in note 1. Our opinion is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning opening stock and work in progress valuations, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1998 and of its losses for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work on stock and work in progress we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we are unable to determine whether proper stock records were maintained."



Downham Train Epstein
Chartered Accountants
Registered Auditors
DTE House
Bury
Lancashire
BL9 8AT

Dated: 29 June 1999

KEN MCNEILL LIMITED

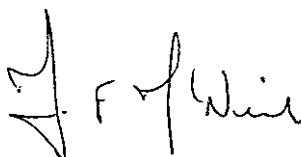
ABBREVIATED BALANCE SHEET
31 MAY 1998

		<u>31.5.98</u>		<u>31.5.97</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		15,938		602,573
CURRENT ASSETS:					
Stocks		-		80,000	
Debtors		149,587		319,093	
Cash at bank		24,411		-	
		<u>173,998</u>		<u>399,093</u>	
CREDITORS: Amounts falling due within one year	3	<u>94,160</u>		<u>490,233</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>79,838</u>		<u>(91,140)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>95,776</u>		<u>511,433</u>
CREDITORS: Amounts falling due after more than one year	3		-		190,719
			<u>£95,776</u>		<u>£320,714</u>
CAPITAL AND RESERVES:					
Called up share capital	4		18,000		18,000
Share premium			2,414		2,414
Revaluation reserve			-		90,418
Capital redemption reserve			2,000		2,000
Profit and loss account			<u>73,362</u>		<u>207,882</u>
Shareholders' funds			<u>£95,776</u>		<u>£320,714</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

Mrs J F N B McNeill - DIRECTOR



Approved by the Board on 28 June 1999

The notes form part of these financial statements

KEN MCNEILL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MAY 1998**

1. ACCOUNTING POLICIES

Going concern

During the year the company has sold the majority of its tangible fixed assets and all of its stock and work in progress to a third party. The company continued to trade by providing consultancy services in the areas in which it was previously a manufacturer. However these services ceased in January 1999 and consequently the company no longer trades. Accordingly the financial statements have not been prepared on the going concern basis.

The director has quantified all the potential adjustments and provisions in order to reduce assets to their expected realisable value, together with additional costs for future liabilities up to the date of probable discontinuation.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	- 2.5% straight line on valuation
Plant and machinery	- 10% on reducing balance on valuation
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on reducing balance

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors on the balance sheet date, there is reasonable probability that the liability will not arise in the foreseeable future.

KEN MCNEILL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998

2. TANGIBLE FIXED ASSETS

	Total
	<u>£</u>
COST OR VALUATION:	
At 1 June 1997	858,011
Disposals	(816,277)
	<u>41,734</u>
At 31 May 1998	<u>41,734</u>
DEPRECIATION:	
At 1 June 1997	255,438
Charge for year	37,009
Eliminated on disposals	(266,651)
	<u>25,796</u>
At 31 May 1998	<u>25,796</u>
NET BOOK VALUE:	
At 31 May 1998	15,938
	<u>15,938</u>
At 31 May 1997	<u>602,573</u>

3. CREDITORS

The following secured debts are included within creditors:

	31.5.98	31.5.97
	<u>£</u>	<u>£</u>
Bank overdrafts	-	182,025
Bank loans	-	8,921
Hire purchase contracts	-	184,106
	<u>-</u>	<u>375,052</u>
	<u>-</u>	<u>375,052</u>

Creditors include the following debts falling due in more than five years:

	31.5.98	31.5.97
	<u>£</u>	<u>£</u>
Repayable otherwise than by instalments		
Allied Dunbar loan	-	34,100
	<u>-</u>	<u>34,100</u>
Repayable by instalments		
Hire purchase	-	63,580
	<u>-</u>	<u>63,580</u>
	<u>-</u>	<u>63,580</u>

KEN MCNEILL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998

4. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.5.98	31.5.97
		value:	£	£
50,000	Ordinary	£1	50,000	50,000
			<u><u> </u></u>	<u><u> </u></u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.5.98	31.5.97
		value:	£	£
18,000	Ordinary	£1	18,000	18,000
			<u><u> </u></u>	<u><u> </u></u>

5. TRANSACTIONS WITH DIRECTORS

During the year the company rented various properties from Canteen Smithy Executive Pension Scheme, a scheme in which the director has an interest as both member and trustee. Rent was charged on normal commercial terms and the amount paid during the year and charged to the profit and loss account was £11,340 (1997 - £18,320). The company no longer occupies the properties which it rented.

Prior to his resignation on 27 February 1998 K McNeill held a directors' current account which was subsequently transferred to an employee loan account on the date of his resignation.