

Registration Number FC015761(England and Wales) 48612 (Jersey)

McKenna Arts Limited
Financial Statements
for the year ended 31 October 2002

David R Hazzard FCA
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Dobsons Farm
Sandygate Lane
Broughton
Preston
PR3 5LA



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McKenna Arts Limited

Company Information for the year ended 31 October 2002

Directors	Joseph Leo McKenna Mary Gabrielle Said
Secretary	Mrs M G Said
Company Number	FC015761(England and Wales) 48612 (Jersey)
Registered Office	Dobsons Farm Sandygate Lane Broughton Preston PR3 5LA
Business Address	Carmel House 339 Garstang Road Fulwood Preston PR2 9UP
Bankers	Cooperative Bank plc Preston Businesss Centre 147 Church Street Preston PR1 3UD

McKenna Arts Limited

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McKenna Arts Limited

Profit and Loss Account for the year ended 31 October 2002

		2002	2001
	Notes	£	£
Administrative expenses		(10,427)	(18,786)
Operating loss		<u>(10,427)</u>	<u>(18,786)</u>
Interest receivable and similar income		<u>98</u>	<u>60</u>
Loss on ordinary activities before taxation		(10,329)	(18,726)
Tax on loss on ordinary activities	3	<u>(600)</u>	<u>(600)</u>
(Loss) for the year		(10,929)	(19,326)
Accumulated (loss) brought forward		<u>(123,960)</u>	<u>(104,634)</u>
Accumulated (loss) carried forward		<u><u>(134,889)</u></u>	<u><u>(123,960)</u></u>

The notes on pages 4 to 6 form an integral part of these financial statements.

McKenna Arts Limited

Balance Sheet as at 31 October 2002

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	4		593,684		593,684
Current Assets					
Debtors	5	5,848		-	
Cash at bank and in hand		8,297		25,208	
		<u>14,145</u>		<u>25,208</u>	
Creditors: amounts falling due within one year	6	<u>(12,780)</u>		<u>(12,914)</u>	
Net Current Assets			<u>1,365</u>		<u>12,294</u>
Total Assets Less Current Liabilities			595,049		605,978
Creditors: amounts falling due after more than one year	7		<u>(724,938)</u>		<u>(724,938)</u>
Deficiency of Assets			<u>(129,889)</u>		<u>(118,960)</u>
Capital and Reserves					
Called up share capital	8		5,000		5,000
Profit and loss account			<u>(134,889)</u>		<u>(123,960)</u>
Shareholders' Funds			<u>(129,889)</u>		<u>(118,960)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 4 to 6 form an integral part of these financial statements.

McKenna Arts Limited

Balance Sheet (continued)

Directors' statements required by Section 249B(4) for the year ended 31 October 2002

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 October 2002 and

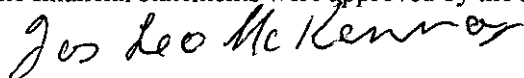
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

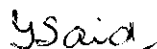
(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 6 August 2003 and signed on its behalf by



Joseph Leo McKenna
Director



Mary Gabrielle Said
Director

The notes on pages 4 to 6 form an integral part of these financial statements.

McKenna Arts Limited

Notes to the Financial Statements for the year ended 31 October 2002

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Tangible fixed assets and depreciation

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

Vintage motor vehicles	-	No depreciation
Works of art	-	No depreciation

1.3. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.4. Going Concern

The financial statements have been prepared on the basis that the company will continue to enjoy the benefit of the support of the Trustees of the J L McKenna Settlement and that sufficient funds will be made available for the company's activities to continue. The Trustees of the J L McKenna Settlement own the whole of the issued share capital of the company and have signed a Subordination Agreement in favour of the company creditors.

2. Directors' emoluments

	2002	2001
	£	£
Remuneration and other benefits	<u>15,700</u>	<u>15,700</u>

3. Taxation

	2002	2001
	£	£
Current year taxation		
Jersey Exempt Company Tax	<u>600</u>	<u>600</u>

McKenna Arts Limited

Notes to the Financial Statements for the year ended 31 October 2002

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4. Tangible fixed assets

	Vintage motor vehicles	Works of art	Total
	£	£	£
Cost			
At 1 November 2001			
At 31 October 2002	380,000	213,684	593,684
Net book values			
At 31 October 2002	380,000	213,684	593,684
At 31 October 2001	380,000	213,684	593,684

5. Debtors

	2002 £	2001 £
Prepayments and accrued income	5,848	-

6. Creditors: amounts falling due within one year

	2002 £	2001 £
Other taxes and social security costs	2,409	2,423
Other creditors	5,219	5,219
Accruals and deferred income	5,152	5,272
	12,780	12,914

7. Creditors: amounts falling due after more than one year

	2002 £	2001 £
Loan McKenna Trust	724,938	724,938

The loan from the McKenna Trust is interest free and unsecured.

McKenna Arts Limited

Notes to the Financial Statements for the year ended 31 October 2002

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8. Share capital	2002 £	2001 £
Allotted, called up and fully paid		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>