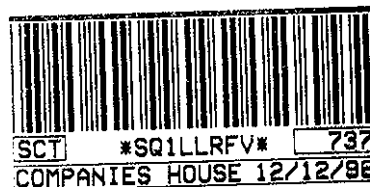


Stirling Albion Football and Athletic Club Limited

Accountant's Report to the Shareholders
and
Statement of Modified Accounts
For the Year Ended 31st May 1996

Company Registration Number - 24021



ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF
Stirling Albion Football and Athletic Club Limited

STIRLING, 27th November 1996

In our opinion the Directors are entitled under Sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31st May 1996 and the modified accounts on pages 3 to 6 have been properly presented in accordance with Schedule 8 of that Act. On 27th November 1996 we reported as Accountants of Stirling Albion Football and Athletic Club Limited to the members on the Company's Financial Statements prepared under Section 227 of the Companies Act 1985 for the year ended 31st May 1996 and our Accountant's Report was as follows:-

"We have examined, without carrying out an audit, the Accounts for the year ended 31st May 1996 set out on pages 5 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANT

As described on page 6 the Company's directors are responsible for the preparation of the Accounts, and they believe that the Company is exempt from an audit. (It is our responsibility to examine the Accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.)

BASIS OF OPINION

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. (This examination consisted of comparing the Accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report.)

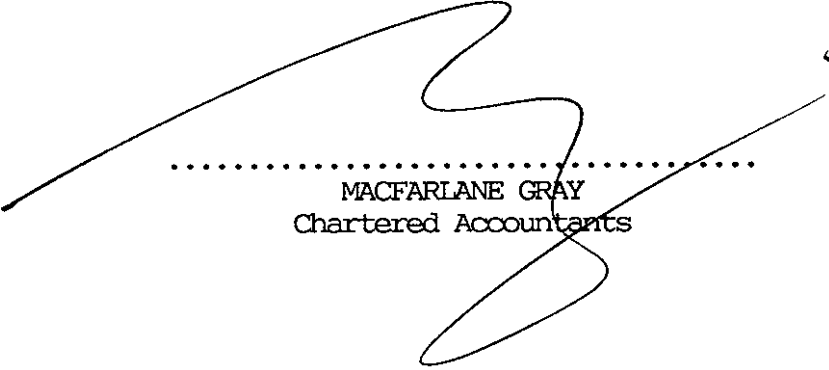
The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the Accounts. Therefore our examination does not provide any assurance that the accounting records and the Accounts are free from material misstatement.

OPINION

In our opinion:

1. The Accounts are in agreement with those accounting records kept by the Company under section 221 of the Companies Act 1985;
2. Having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

3. Having regard only to, and on the basis of, the information contained in those accounting records, the Company satisfied the conditions for exemption from an audit of the Accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of Companies not entitled to the exemption specified in section 249B(1)."



.....
MACFARLANE GRAY
Chartered Accountants

MODIFIED BALANCE SHEET
As at 31st May 1996

	Note	1996 £	1995 £
<u>FIXED ASSETS</u>			
Tangible Assets	2	4,627	5,443
<u>CURRENT ASSETS</u>			
Stock		1,525	1,000
Debtors		30,640	9,004
Cash at Bank and in Hand		215	980
		<u>32,380</u>	<u>10,984</u>
<u>CREDITORS: amounts falling due</u>			
<u>within one year</u>		606,090	421,480
<u>NET CURRENT LIABILITIES</u>		<u>(573,710)</u>	<u>(410,496)</u>
<u>NET LIABILITIES</u>		<u>(569,083)</u>	<u>(405,053)</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	3	28,000	19,499
Other Reserves		175,000	175,000
Profit and Loss Account		(772,083)	(599,552)
		<u>(569,083)</u>	<u>(405,053)</u>

The Directors:

1. Confirm that for the year ending 31st May 1996 the Company was entitled to the exemption under subsection (2) of section 249A;

2. Confirm that no notice requiring an audit had been deposited under subsection (2) of s249B in relation to the Accounts for the financial year;

and

3. Acknowledge their responsibility for:

(a) Ensuring that the Company keeps accounting records which comply with section 221; and

(b) Preparing Accounts which give a true and fair view of the state of affairs of the Company as at the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

MODIFIED BALANCE SHEETAs at 31st May 1996

In preparing these modified Accounts, the Directors have relied on Sections 247 to 249 of the Companies Act 1985 as enabling them to deliver Accounts modified as for a small company.

The Directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, applicable to small companies in preparation of their Accounts, and have done so on the grounds that, in their opinion, the Company is entitled to the benefit of those exemptions as a small company.

Approved by the Board

Peter M. McKenzie.....DIRECTOR
P McKenzie

John L. Smith.....DIRECTOR
J Smith

....27th November 1996....DATE

NOTES TO THE MODIFIED ACCOUNTS
For the Year Ended 31st May 1996

1 ACCOUNTING POLICIES

Accounting Policies

Set out below are the Company's accounting policies.

Accounting Convention

The accounts are prepared under the historical cost convention. All figures in the Profit and Loss Account are exclusive of V.A.T.

Depreciation

Depreciation is provided on all Tangible Fixed Assets at rates calculated to write off the cost less any residual value of each asset evenly over its expected useful life, as follows:

Fixtures and Fittings	-	15% Reducing Balance Method
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Stocks

Stocks, as valued by the Directors, are stated at the lower of cost and net realisable value.

Deferred Taxation

No provision has been made for deferred tax.

NOTES TO THE MODIFIED ACCOUNTS
For the Year Ended 31st May 1996

2 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Total £
Cost or Valuation:		
At 1st June 1995	19,457	19,457
At 31st May 1996	<u>19,457</u>	<u>19,457</u>
Depreciation:		
At 1st June 1995	14,014	14,014
Charge for year	816	816
At 31st May 1996	<u>14,830</u>	<u>14,830</u>
Net Book Value		
At 31st May 1996	<u>4,627</u>	<u>4,627</u>
At 1st June 1995	<u>5,443</u>	<u>5,443</u>

3 SHARE CAPITAL

	1996 £	1995 £
Allotted, called up and fully paid:		
Ordinary Shares of £1 each	<u>28,000</u>	<u>19,499</u>
Authorised:		
Ordinary Shares of £1 each	<u>28,000</u>	<u>28,000</u>

4 BANK OVERDRAFT

The overdraft is secured by Floating Charge over the Company's assets and undertakings.

Mr Peter McKenzie has personally guaranteed the overdraft to specified limits.