

Stirling Albion Football and Athletic Club Limited

Auditors' Report to the Directors
and
Statement of Modified Accounts
For the Year Ended 31st May 1998

Company Registration Number - 24021



REPORT OF THE AUDITORS TO THE DIRECTORS OF
Stirling Albion Football and Athletic Club Limited

STIRLING, 4th December 1998

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 1998 and the modified accounts on pages 3 to 5 have been properly presented in accordance with Schedule 8 of that Act. On 4th December 1998 we reported as Auditors 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 1998 and our audit opinion was as follows:

"We have audited the Financial Statements as presented on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies as set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 for that year. 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.
- State whether applicable accounting standards have been followed.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue.

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.

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

Audit Procedures

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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.

Matter Arising From Audit

The Balance Sheet shows a net liability position at 31st May 1998 and the Company is dependent on the continued support of Mr Peter McKenzie who has lent the Company substantial sums of money and the Bank of Scotland. Mr Peter McKenzie has also personally guaranteed the overdraft with the Bank of Scotland to a specified limit.

OPINION

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31st May 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."


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MACFARLANE GRAY

Registered Auditors
and
Chartered Accountants

MODIFIED BALANCE SHEETAs at 31st May 1998

	Note	1998 £	1997 £
<u>FIXED ASSETS</u>			
Tangible Assets	2	<u>3,343</u>	<u>3,933</u>
<u>CURRENT ASSETS</u>			
Stock		1,850	1,850
Debtors		24,912	41,362
Cash at Bank and in Hand		-	242
		<u>26,762</u>	<u>43,454</u>
<u>CREDITORS: amounts falling due within one year</u>			
		835,413	762,948
<u>NET CURRENT LIABILITIES</u>			
		<u>(808,651)</u>	<u>(719,494)</u>
<u>NET LIABILITIES</u>			
		<u>(805,308)</u>	<u>(715,561)</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	3	50,000	50,000
Revaluation Reserve		175,000	175,000
Profit and Loss Account		(1,030,308)	(940,561)
		<u>(805,308)</u>	<u>(715,561)</u>

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.

Approved by the Board

Peter McKenzieDIRECTOR
P McKenzie

John L. SmithDIRECTOR
J Smith

.....4th December 1998.....DATE

NOTES TO THE MODIFIED ACCOUNTS
For the Year Ended 31st May 1998

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 1998

2 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Total £
Cost or Valuation:		
At 1st June 1997	19,457	19,457
At 31st May 1998	<u>19,457</u>	<u>19,457</u>
Depreciation:		
At 1st June 1997	15,524	15,524
Charge for year	590	590
At 31st May 1998	<u>16,114</u>	<u>16,114</u>
Net Book Value		
At 31st May 1998	<u>3,343</u>	<u>3,343</u>
At 1st June 1997	<u>3,933</u>	<u>3,933</u>

3 SHARE CAPITAL

	1998 £	1997 £
Allotted, called up and fully paid:		
Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>
Authorised:		
Ordinary Shares of £1 each	<u>50,000</u>	<u>28,000</u>

4 BANK OVERDRAFT

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

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