BDO

BDO Stoy Hayward
Chartered Accountants

SC 80350

Kirkern Limited

Report and Abbreviated Financial Statements

Period Ended

31 March 2002



Kirkern Limited

Report and financial statements for the period ended 31 March 2002

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Directors

R Mitchell
B Mitchell

Secretary and registered office

B Mitchell, 32-34 Vicar Street, Falkirk, FK1 1TD

Company number

80350

Accountants

BDO Stoy Hayward, 64 Dalblair Road, Ayr, KA7 1UH

Bankers

Bank of Scotland, 43 Vicar Street, Falkirk, FK1 1LN

Solicitor

Iain G Gow, 18 Cairnhill Road, Bearsden, Glasgow, G61 1AU

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BDO Stoy Hayward
Chartered Accountants

64 Dalblair Road Ayr KA7 1UH

Kirkern Limited

Accountants' Report on the Unaudited Financial Statements

To the directors of Kirkern Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 31 March 2002, set out on pages 2 to 6, and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

BDO STOY HAYWARD
Chartered Accountants
Ayr

24 September 2002

Kirkern Limited

Balance sheet at 31 March 2002

	Note	31 March 2002 £	31 March 2002 £	31 October 2001 £	31 October 2001 £
Fixed assets					
Tangible assets	2		**1,729,468**		817,324
Fixed asset investment	3		**187,435**		187,435
			1,916,903		1,004,759
Current assets					
Debtors		**23,105**		55,806	
Cash at bank and in hand		**39,848**		56,078	
		62,953		111,884	
Creditors: amounts falling due within one year		799,633		634,460	
Net current liabilities			**(736,680)**		(522,576)
Total assets less current liabilities			**1,180,223**		482,183
Creditors: amounts falling due after more than one year	4	**1,014,141**		314,803	
Provision for liabilities and charges		**(14,290)**		(11,005)	
			999,851		303,798
			180,372		178,385
Capital and reserves					
Called up share capital	5		**500**		500
Profit and loss account			**179,872**		177,885
Equity shareholders' funds			**180,372**		178,385

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

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2002 and of its profit for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on 24 September 2002.

R Mitchell
Director

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

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	over 25 to 50 years
Arcade equipment	-	over 3 years
Lease premium	-	over 25 years
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	over 10 years

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

1 Accounting policies *(continued)*

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Tangible fixed assets

	Total **£**
Cost	
At 1 November 2001	1,175,242
Additions	982,764
Disposals	(175,039)
At 31 March 2002	**1,982,967**
Depreciation	
At 1 November 2001	357,918
Provided for the period	70,620
Disposals	(175,039)
At 31 March 2002	**253,499**
Net book value	
At 31 March 2002	**1,729,468**
At 31 October 2001	817,324

3 Fixed asset investments

	Total £
Cost	
At 1 November 2001 and 31 March 2002	**187,435**
Net book value	
At 31 October 2001 and 31 March 2002	**187,435**

In November 2000 the company purchased 50% of the issued Ordinary share capital of Mitchells Leisure Company Limited. Mr R Mitchell, a director of Kirkern Limited, owns the other 50% of the issued Ordinary share capital.
Mitchells Leisure Company Limited also operates an amusement arcade based in the Trongate area of Glasgow.

4 Creditors: amounts falling due after more than one year

Included in creditors due after more than one year are the following amounts:

	31 March 2002 £	31 October 2001 £
Repayable in more than five years:	**45,794**	92,557

5 Share capital

	Authorised		Allotted, called up and fully paid	
	31 March 2002 £	31 October 2001 £	31 March 2002 £	31 October 2001 £
Equity share capital				
Ordinary shares of £1 each	**10,000**	10,000	**500**	500