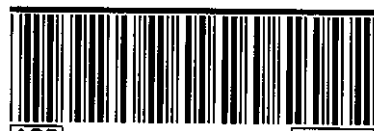


Abbreviated Financial Statements
for the period
29th April 1997 to 30th September 1998
for
Keasime Limited



A23 *APUKLHGV* 575
 COMPANIES HOUSE 24/06/99

COMPANIES HOUSE 15/06/99

Keasime Limited

**Contents of the Abbreviated Financial Statements
for the period 29th April 1997 to 30th September 1998**

	Page
Company Information	1
Report of the Auditors on the Abbreviated Financial Statements	2
Abbreviated Balance Sheet	3
Notes to the Abbreviated Financial Statements	4

Keasime Limited

Company Information
for the period 29th April 1997 to 30th September 1998

DIRECTOR: W Wells

SECRETARY: P D Duckwith

REGISTERED OFFICE: 66-70 Princes Avenue
Hull
HU5 3QJ

REGISTERED NUMBER: 1675981 (England and Wales)

AUDITORS: Atkinson & Co
Chartered Accountants
& Registered Auditors
60 Commercial Road
Hull
HU1 2SG

Keasime Limited

**Report of the Auditors to
Keasime Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages three to five, together with the full financial statements of the company for the period ended 30th September 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 three to five are properly prepared in accordance with those provisions.

Other information

On 3rd June 1999 we reported, as auditors to the shareholders of the company on the financial statements for the period ended 30th September 1998 prepared under Section 226 of the Companies Act 1985, and our report included the following paragraph:

"Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation of the provision of working capital by way of giving extended credit by the company's holding company. In view of the significance of this uncertainty we feel that it should be drawn to your attention but our report is not qualified in this respect."



Atkinson & Co
Chartered Accountants
& Registered Auditors
60 Commercial Road
Hull
HU1 2SG

Dated: 3rd June 1999

Keasime Limited

**Abbreviated Balance Sheet
30th September 1998**

		1998		1997	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		193,066		592,797
CURRENT ASSETS:					
Stocks		170,574		2,559	
Debtors		148,114		4,842	
Cash at bank		76,778		33,061	
		395,466		40,462	
CREDITORS: Amounts falling due within one year		<u>977,088</u>		<u>720,530</u>	
NET CURRENT LIABILITIES:			<u>(581,622)</u>		<u>(680,068)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(388,556)</u>		<u>£(87,271)</u>
CAPITAL AND RESERVES:					
Called up share capital	3		2		2
Revaluation reserve			-		263,499
Profit and loss account			<u>(388,558)</u>		<u>(350,772)</u>
Shareholders' funds			<u>£(388,556)</u>		<u>£(87,271)</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:


W Wells - DIRECTOR

Approved by the Board on 2nd June 1999

Keasime Limited

Notes to the Abbreviated Financial Statements for the period 29th April 1997 to 30th September 1998

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company's working capital is provided by extended credit being provided by the holding company SAL Holdings Limited. The director is confident that the company will trade profitably in the future to correct the present deficit of assets as shown in the financial statements. Accordingly the director considers that the financial statements can properly be prepared on a going concern basis.

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 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.

Land and buildings	- at varying rates on cost
Plant and machinery etc	- 15% on reducing balance

Accelerated depreciation has been charged to write down the fixed assets as specified in the share sale agreement dated 21 June 1998 after deducting the extent of the revaluation reserve.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TANGIBLE FIXED ASSETS

	Total
	£
COST OR VALUATION:	
At 29th April 1997	809,263
Additions	50,284
Deficit on revaluation	(500,000)
At 30th September 1998	359,547
DEPRECIATION:	
At 29th April 1997	216,466
Charge for period	186,516
Revaluation adjustment	(236,501)
At 30th September 1998	166,481
NET BOOK VALUE:	
At 30th September 1998	193,066
At 28th April 1997	592,797

Leasehold Land and Buildings were reduced to the level agreed in the share sale agreement of 21 June 1998.

Depreciation includes accelerated depreciation of £99,532 which was necessary to write down the fixed assets to the value included in the above said share agreement.

Keasime Limited

Notes to the Abbreviated Financial Statements for the period 29th April 1997 to 30th September 1998

3. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1998	1997
			£	£
100	Ordinary Shares	1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1998	1997
			£	£
2	Ordinary Shares	1	<u>2</u>	<u>2</u>

4. ULTIMATE PARENT COMPANY

During the year the company was acquired by SAL Holdings Limited a company registered in England and Wales. The company's previous ultimate parent was Serendipity Holdings Ltd a company also registered in England and Wales.

5. TRANSACTIONS WITH DIRECTORS

The directors loan of £2,966 brought forward as at 28 April 1997 was repaid during the period. This was also the maximum amount outstanding.