

Abbreviated Unaudited Accounts for the Year Ended 31 May 2007

for

Kiarie Ltd

Callander Colgan Limited
Ballantyne House
84 Academy Street
Inverness
IV1 1LU



Kiarie Ltd

Company Information
for the Year Ended 31 May 2007

DIRECTORS:

A G MacKenzie
A H Gloag

SECRETARY:

Mrs J A A Mackenzie

REGISTERED OFFICE:

MacKenzies Furniture Village
Brown Place
Wick
Caithness

REGISTERED NUMBER:

SC254288

ACCOUNTANTS:

Callander Colgan Limited
Ballantyne House
84 Academy Street
Inverness
IV1 1LU

Kiarie Ltd

Abbreviated Balance Sheet
31 May 2007

	Notes	31 5 07 £	£	31.5 06 £	£
FIXED ASSETS					
Tangible assets	2		82,145		165,150
CURRENT ASSETS					
Stocks		37,035		60,727	
Debtors		3,137		12,267	
Cash at bank and in hand		4,078		6,463	
		<u>44,250</u>		<u>79,457</u>	
CREDITORS					
Amounts falling due within one year		<u>72,648</u>		<u>59,579</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(28,398)</u>		<u>19,878</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			53,747		185,028
CREDITORS					
Amounts falling due after more than one year			(415,000)		(415,000)
ACCRUALS AND DEFERRED INCOME			<u>(17,602)</u>		<u>(35,202)</u>
NET LIABILITIES			<u>(378,855)</u>		<u>(265,174)</u>
CAPITAL AND RESERVES					
Called up share capital	3		90,555		90,555
Share premium			114,445		114,445
Profit and loss account			<u>(583,855)</u>		<u>(470,174)</u>
SHAREHOLDERS' FUNDS			<u>(378,855)</u>		<u>(265,174)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 May 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2007 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year 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

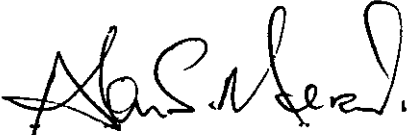
The notes form part of these abbreviated accounts

Kiari Ltd

Abbreviated Balance Sheet continued
31 May 2007

These abbreviated accounts 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 of Directors on 30/11/08 and were signed on its behalf by

A handwritten signature in black ink, appearing to read 'A G MacKenzie', written over a horizontal line.

A G MacKenzie Director

The notes form part of these abbreviated accounts

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Fundamental accounting concept

These financial statements have been prepared on a going concern basis. This is based upon the agreement of all creditors due in more than one year (£415,000) not to seek repayment of the loans to the detriment of any other creditor.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of 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.

Website development	33% on cost
Fixtures and fittings	25% on reducing balance
Office equipment	33% on cost

Fixed assets are stated at cost less accumulated depreciation.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Cost comprises all direct expenditure incurred in bringing the stock to its current location and condition.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Notes to the Abbreviated Accounts continued
for the Year Ended 31 May 2007

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 June 2006 and 31 May 2007	255,747
DEPRECIATION	
At 1 June 2006	90,597
Charge for year	83,005
At 31 May 2007	173,602
NET BOOK VALUE	
At 31 May 2007	82,145
At 31 May 2006	165,150

3 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	31 5 07 £	31 5 06 £
250,000	Ordinary		250,000	250,000
Allotted, issued and fully paid Number	Class	Nominal value £1	31 5 07 £	31 5 06 £
90,555	Ordinary		90,555	90,555

4 RELATED PARTY DISCLOSURES

Included in other creditors due within one year is a balance of £27,282 (2006 £4,968) owed to Think Happy Limited. During the year Kiarie Limited purchased goods from Think Happy Limited for £17,846 (2006 £44,353). During the year Kiarie Limited made sales of £17,260 (2006 £44,353) to Think Happy Limited. Think Happy Limited is a company in which A G Mackenzie is both a director and shareholder.

Included in amount owed to group undertakings is £11,050 (2006 £nil) owed to Loganlea Limited. During the year Kiarie Limited made sales of £9,391 and recharged expenses of £37,307 to Loganlea Limited. Loganlea Limited is a company in which A G Mackenzie is both a director and shareholder.

Included in other creditors due over one year is a balance of £415,000 (2006 £415,000) relating to companies in which Mrs A Gloag, a director of the company, has an interest. These creditors have also agreed not to seek repayment of this loan within twelve months and to the detriment of any other creditor.

At the year end a balance of £14,776 (2006 £14,900) was due to Mr A G MacKenzie, a director and shareholder of the company. During the year the company paid expenses of £123 on behalf of Mr Mackenzie.

5 ULTIMATE CONTROLLING PARTY

The company's controlling party is Loganlea Limited, the majority shareholder. Loganlea Limited is controlled by A G MacKenzie and therefore he is the ultimate controlling party of Kiarie Limited.