

**KNAPPERNA INVESTMENTS
LIMITED**

ABBREVIATED FINANCIAL STATEMENTS

30 JUNE 1999

WILLIAMSON & DUNN
Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen

AB11 6YW

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KNAPPERNA INVESTMENTS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1999

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KNAPPERNA INVESTMENTS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 30 June 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

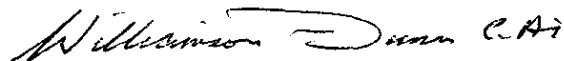
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 accounts and that the abbreviated accounts 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 financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



WILLIAMSON & DUNN
Chartered Accountants
& Registered Auditors
3 West Craibstone Street
Aberdeen

AB11 6YW

.....11/3.2000

KNAPPERNA INVESTMENTS LIMITED

ABBREVIATED BALANCE SHEET

30 JUNE 1999

	Note	1999	1998
		£	£
FIXED ASSETS	2		
Tangible assets		222,802	251,612
CURRENT ASSETS			
Stocks		-	9,082
Debtors		171,577	116,874
Cash at bank and in hand		418,765	342,943
		590,342	468,899
CREDITORS: Amounts falling due within one year		(53,977)	(108,315)
NET CURRENT ASSETS		536,365	360,584
TOTAL ASSETS LESS CURRENT LIABILITIES		759,167	612,196
PROVISIONS FOR LIABILITIES AND CHARGES		(11,451)	(7,481)
		747,716	604,715
CAPITAL AND RESERVES			
Called-up equity share capital	3	6,000	6,000
Profit and loss account		741,716	598,715
SHAREHOLDERS' FUNDS		747,716	604,715

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999). w

These financial statements were approved by the directors on the 11th MARCH.....2000 and are signed on their behalf by:


MR LEONARD DAVIDSON

The notes on pages 3 to 4 form part of these financial statements.

KNAPPERNA INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1999

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 March 1999).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Property	- over	50 years
Plant and machinery	- over	6 years
Office equipment	- over	6 years
Motor vehicles	- over	4 years

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

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KNAPPERNA INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1999

2 FIXED ASSETS

	Tangible Fixed Assets
	£
COST	
At 1 July 1998	504,441
Additions	601
Disposals	(243,970)
At 30 June 1999	<u>261,072</u>
DEPRECIATION	
At 1 July 1998	252,829
Charge for year	5,472
On disposals	(220,031)
At 30 June 1999	<u>38,270</u>
NET BOOK VALUE	
At 30 June 1999	<u>222,802</u>
At 30 June 1998	<u>251,612</u>

3 SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>6,000</u>	<u>6,000</u>

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